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AND  
EMPLOYEES**

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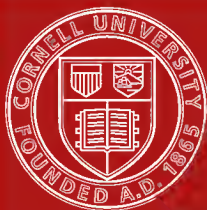
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# EMPLOYERS AND EMPLOYEES

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Full Text of the Addresses Before the National  
Convention of Employers and Employes,  
with Portraits of the Authors, Held  
at Minneapolis, Minnesota,  
September 22-25, 1902.



PUBLIC POLICY  
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## INTRODUCTION.



PROFESSOR WM. A. SCHAPER.

## INTRODUCTION.

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This volume contains selected papers read at the convention of employers and employes held at Minneapolis September 22-25, 1902. These addresses were first published in the weekly issues of Public Policy, beginning with January 3 of the current year. They were selected by Mr. Allen R. Foote as being most available and suitable for publication from a list of twenty read at the conference. The continual demand for copies of these addresses since the close of the conference is an indication of the widespread interest which these discussions aroused and makes it desirable to give them a more permanent form.

In view of the fact that a lack of funds has so far prevented the publication of the official proceedings of the conference, this volume of addresses is the fullest and most trustworthy report of the transactions of that body published in collected form. The publication of this report is due to the enterprise and public spirit of the editor of Public Policy, and to him we are very grateful for this important service to the public interested in obtaining authentic statements of the views of active thinkers and workers on the puzzling and sometimes distressing labor problem.

A year has passed since the Minneapolis conference closed. While the results of a meeting of its kind are difficult to measure, because they are and must be largely intangible, it would not be difficult to show that it promoted a good deal of sane thinking and frank exchange of views on the part of representative men in the ranks of labor, leading employers and those speaking for the larger public—men entrusted with the administration of government and the students of social problems. The tenor of all this discussion was conservative in spirit, high minded and eminently fair. The tendency throughout was to emphasize the recognition of the fact that the toilers are, above all else, men and women—not mere laborers, a product to be bought and sold as any other commodity on the market. It was also a noticeable fact that economists, business undertakers and workingmen are coming more and more to realize the potency of institutions in shielding the individual against the merciless action of so-called natural or economic laws, often merely pure greed of a predatory class bent on exploiting their fellows. The recognition of this principle will make for two things—greater humnity in fixing wages and conditions of employment and more extended and effective government regulation of industry.

The immediate local effect of the discussions was to foster a spirit of conciliation and desire for fair play on all sides. The trouble in the flour mills which

had been rising rather threateningly for several months and the settlement of which had been postponed until the close of the conference, was disposed of with great dispatch and utmost good feeling. The millers agreed to reduce the hours from twelve to eight, to increase the number of employes greatly, entailing an increase of 40 per cent in total wages, and the men agreed to a slight readjustment of the wage scale, involving slight increases in some cases and a slight decrease in others.

The plan of bringing together active employers, recognized labor leaders and fair and impartial representatives of the interests of the government and of the larger public proved to be a success. The conference was especially successful as an agency for the collection and spread of valuable information on the labor problem and in dispelling dark suspicions and misunderstandings by bringing the antagonists in pleasant personal contact remote from the scene of actual conflict. It was intended to be an educational movement and the men in this city who originated the idea and carried it through were satisfied with the results. They regretted only that President Roosevelt was at the last moment prevented from lending the influence of his presence and counsel to the good work.

At the close of the conference the following committee was elected to arrange for further meetings when in their judgment circumstances justify such action:

J. B. Gilfillan, chairman, Guaranty Loan building, Minneapolis.

William A. Schaper, secretary, University of Minnesota, Minneapolis.

E. E. Clark, grand chief conductor, Cedar Rapids, Iowa.

James Duncan, vice-president American Federation of Labor, Washington, D. C.

J. B. Clark, Columbia University, New York City.

Graham Taylor, Chicago Commons, Chicago.

Herman Justi, commissioner Illinois Coal Operators' Association, Chicago, Ill.

The committee voted not to call a conference this year.

WILLIAM A. SCHAPER, Secretary.

University of Minnesota, Minneapolis, September, 1903.



## OPENING ADDRESS.



CYRUS NORTHROP.

## OPENING ADDRESS.

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BY CYRUS NORTHROP, PRESIDENT OF THE UNIVERSITY OF  
MINNESOTA, CHAIRMAN.

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### *Gentlemen of the Convention:*

In the discharge of the very important duties to which your kindness has called me, I hope that if I am not able to say anything particularly wise, I may at least be guarded from saying anything especially foolish. We are assembled for the purpose of considering questions of great importance—questions which concern most deeply the welfare and the happiness of our entire people.

### INORDINATE SELFISHNESS THE CAUSE OF CONFLICT.

We are in the midst of great prosperity. Capital and labor are both in demand, are both abundant and for the present are both in no condition of distress. At the same time there is not a little unrest and not a little feeling of insecurity for the future. Some mighty conflicts have been going on, and others no doubt are to come. These conflicts are terribly wasteful and they ought to be unnecessary and impossible. But they will continue to come just so long as an inor-

dinate selfishness shall dominate the counsels of either of the contending forces.

#### A MUTUAL DUTY.

No doubt capital has a right to combine—and no doubt also labor has a right to combine. But might never yet made right and it never can. No man has any right to live exclusively for himself, and no aggregation of men has any right to live exclusively for themselves. Capital owes a duty to labor; and labor owes a duty to capital. Each of them ought to have some regard for the welfare of the other, and both ought to do what will promote the comfort and happiness of the whole people.

#### NOMINAL AND ACTUAL PROFITS.

I cannot put my finger on the absolute cause of contention. Under ordinary conditions capital ought to be contented with a fair reward for its services. But ordinary conditions no longer exist and neither labor nor capital is to-day satisfied with what would be a fair reward but for the abnormal condition of things. I suspect that the watering of stocks, the multiplication of the millions of capital by arbitrary arithmetic without adding a dollar to the value has something to do with the trouble; and that the unrest of labor is in a large degree occasioned by the necessity of earning a reasonable profit, not on actual capital but on inflated and watered capital, and that the laborer,

while recognizing the fact that he is receiving a fair compensation for his labor according to all the standards of the past, is yet dissatisfied because inflated capital, though receiving nominally no more than the fair profit of the past is in reality receiving two, three and even five times the rate of profit that on the face of things it appears to be receiving.

LABOR CANNOT MULTIPLY ITSELF AS CAPITAL CAN.

This will explain why labor is so dissatisfied with conditions that would once have been deemed most happy. And it is not surprising that labor should grow disquieted over its modest rewards, when capital multiplies itself at its own sweet will and demands to-day interest on a hundred millions of stock representing precisely the same property that yesterday was but fifty millions. If stock could be made always to represent the actual money invested, and then as prosperity came its profits could show the actual per cent of profit on the capital, publicity would be worth something, and the capitalist would be inclined perhaps to set some limits to his own appropriation and to share more equitably with labor.

LABOR FEELS IT OUGHT TO SHARE BENEFITS DERIVED  
FROM IMPROVED MACHINERY.

Another cause of unrest among laborers, as it seems to me, is this: The introduction of machinery, while it has not diminished the demand for labor and has

in no way tended to throw workmen out of employment, as was at first feared, has resulted in such a tremendous increase in the amount of production from a given amount of labor that the revenue derived is immensely in excess of what was formerly derived from the application of the same amount of labor—the excess being far beyond what the laborer thinks the mere ownership of machinery would require for compensation for capital invested—and here again labor feels that it ought to share somewhat in these accumulated profits—and not be held down to the old rates of so much an hour, be the product great or small. In other words, labor feels that it ought to share somewhat in the benefit derived from grander methods and larger plans and greater production and augmented prosperity. I have no doubt whatever that if this unrest and longing of labor were more generally recognized by corporations and a willingness were shown to let labor share in the prosperity of these corporations somewhat, there would be created a feeling of fellowship and common interest, the men would be devoted to the interests of the corporations for which they worked, the corporations would come to regard their men as something more than money-earning machines, and the real manhood of owners and workmen would be brought out in a way to make their industrial life an ennobling experience for both.

## THE MOTTO OF THE AGE: "HELP ONE ANOTHER."

The motto for the age is not "Get all you can and keep what you get." It is rather, "Help one another." And when the golden rule shall be observed alike by employer and employe and all shall do to others what they would like to have others do to them, we shall have a golden age, not merely of prosperity but of peace. And in this age of peace men of all classes will not only be able to provide for their physical wants, but they will grow into a nobler manhood of intellectual and spiritual strength. And they who shall heartily help the coming of this age of peace, be they employer or employe, will do the noblest kind of work for the happiness and development of the human race.

## THE WATCHWORD OF THE AGE: BROTHERHOOD.

The world is making progress. The day for the lord and the serf has gone by. There has been a mighty uplift of the great mass of mankind brought about by education, by invention, by a grand spirit of enterprise. The greatest problem is not now how can a few get as much as possible while the many toil in wretchedness to swell the amount, but it is how can happiness and comfort be best assured to the whole people, and how can real human wants be best met without destroying human lives by hopeless toil. The watchword of the age is, or should be, brotherhood, and it should be a brotherhood not merely of men who

are engaged in the same kind of work, but a brotherhood of all men—rich and poor, employer and employe, all recognizing the fact that they are children of the common Father and brothers by birth and by community of interest.

CONVENTION IN THE INTERESTS OF PEACE AND HARMONY.

This convention has been called in the interest of peace and harmony. It is not intended to denounce capital nor to denounce labor. It is not intended to promote the interests of any political party or the theories of any particular school of economists. It recognizes the fact that the present methods of settling disputes between labor and capital are terribly costly, opposed to the best interests of the people, and not productive of permanent good to anyone. It desires to find some way by which strikes and lockouts can be avoided and capital and labor can work together without interruption. For this purpose the ablest thinkers of the country have been invited to attend the convention and address it. Many of them have accepted and will speak during the week. We hope that out of this expression of their best thoughts by the best thinkers of the country, there may be developed some plan by which the industrial forces of the country may be thoroughly harmonized, the work of the country may be carried forward in the spirit of peace, and our whole people may advance to a grander prosperity and a nobler and happier life.



SOME PHASES OF THE LABOR QUESTION.



JAMES KILBOURNE, PRESIDENT KILBOURNE & JACOBS  
MANUFACTURING COMPANY.

## SOME PHASES OF THE LABOR QUESTION.

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BY JAMES KILBOURNE, PRESIDENT AND GENERAL MANAGER,  
KILBOURNE & JACOBS MANUFACTURING COMPANY,  
COLUMBUS, OHIO.

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Mr. Chairman, Ladies and Gentlemen:—The invitation to address this conference was given me, I understand, because for nearly thirty years I have been the manager of a company between which and its employes no disagreement of any kind has ever arisen.

It was thought, I am told, that a statement of the methods employed by our company might explain the cause of such a long unbroken industrial peace, and be of some help in the solution of the problem before us.

Standing here to-night, recollections of many incidents come before me, which doubtless bear upon the happy relations between the company and its workingmen, but to relate these would savor too much of personalities for an occasion like this. I shall confine myself, therefore, to describing briefly the general course of conduct toward our employes, which was adopted

by the company at the beginning, and has been, sometimes not without difficulty, pursued until this time, and to a statement of what, in my opinion, labor may justly demand from those who employ it.

From my association with my own employes I have come to know something of the feelings of working-men generally, something of their hardships and privations, something of their hopes and fears. I know the justice of their demand for much that is still denied them, and welcome every fit opportunity to say and do what I can in their behalf.

If I shall seem, in what I may say, to speak as if *ex cathedra*, it is not because I feel competent to do so, but because I wish to give my opinions frankly and definitely, and, being obliged to be brief, may appear to assume an authority I am very far from feeling.

Personally, I should prefer to confine my remarks to a general discussion of the labor question, and shall speak of our own company only because it has been suggested that our experience may be of value to others.

Its policy in general terms is to accord the same treatment in every respect to those employed by it at daily wages that is shown to its officers and salaried clerks.

This applies to vacations, to advancement in wages for merit and length of service, to allowance for illness or injuries, and to all relations between us. The coal shoveler feels as much at liberty to call upon the

president of the company, either at his office or his home, about either the company's or his own affairs, as does the superintendent, and is assured of as much consideration as would be shown anyone.

Employees are paid always in cash, and from the day the company began business no man's wages have ever been reduced. During the last panic, when, as is well known, wages were generally largely reduced, in some cases 30 and even 40 per cent, we maintained the old rate, but at the cost of a considerable part of our accumulated surplus. Wages of individuals are advanced from time to time in accordance with their increased efficiency, and we have several times voluntarily increased all wages in keeping with the general advances—this year more than usual, in view of the increased cost of living.

If an employe is injured or seriously sick, he is allowed half or full pay, according to circumstances, without reference to whether the injury was through his own negligence or ours. If injured seriously, he is sent to a hospital, not placed in the general or free ward, but in a private room, under a paid physician, with instructions to give him every care that would be given to an officer of the company. In several instances old employes, unable to bear the expense themselves, who have developed symptoms of pulmonary disease, have been sent to North Carolina or Colorado, at the company's expense. Such a course may seem economically unsound, but we have never had cause to

regret it, and I do not believe that we have ever been imposed upon.

We employ between five and six hundred men, and accidents, many of them serious, requiring surgical or medical attention, will average nearly one a day, yet in all these years we have never had a suit for damages or any demand for compensation for injury.

Many years ago, when sixty hours a week was the regular time of work, we gave the men Saturday afternoon holidays, without loss of pay, during the months of July, August and September, so that their vacation might equal that of the officers and clerks.

We do not work Saturday afternoons at all now except under very urgent circumstances, but for the Saturday afternoons in July, August and September we continue to give full pay, as before. We also have annual picnics, which are attended by the officers and their families—a custom which, I am glad to say, has come to be followed by nearly every manufacturing company in our city.

Strict instructions are given that no man shall be discharged without just cause, and that, except for gross misconduct, no one should be discharged without at least a week's notice—longer if his circumstances are poor—so that he may have an opportunity of securing other employment immediately upon terminating his connection with us. Nearly 90 per cent of the men now living, who were with us twenty years ago, are with us to-day.

In the employment of men no difference is made on account of color, religion or politics, and no one is ever asked whether he is or is not a member of a union. Many of our employes are union men, but the greater number are not; between these there has never been any evidence of unpleasant feelings. There is but one union formally recognized in our shops, comprising less than one-tenth of our employes. Our agreement with them is that in case of any disagreements which cannot be settled satisfactorily between us, the question at issue shall be referred to an arbitration committee, consisting of one member, to be selected by the employes from their number, one to be selected by the management, the third member to be the governor of the state, if he will serve; but no differences have ever arisen to be arbitrated, or even to lead to consultation between us.

Now a few words as to the feeling exhibited toward us by our employes. I could relate innumerable instances, showing their loyalty and devotion to our interests, but one will, I think, suffice, the like of which I have never heard of before or since. Some weeks after the beginning of the great panic in 1893, when trouble and desolation were spreading over the land, there filed into my office at our shops one morning some fifteen or twenty men, representing the different shops of our works. They bore serious countenances and a serious manner, and my heart sank within me. One of my most earnest hopes had been that there

should never be any trouble between our employes and myself, and I thought, "Here it has come at last."

Finally one of the men arose and said: "Mr. Kilbourne, we have hesitated about coming here; we have thought about it a great deal and believe we are right, and we hope you will receive the suggestion we have to make in the spirit in which it is offered. We have seen in the daily papers accounts of the failure of this firm and that firm and the other firm, which has existed for many years, and were thought to be strong enough to resist any panic. We know that your warehouses are filling up with goods. We know that, as is the case with other manufacturers, you cannot sell the goods you are making to-day and cannot get your pay for the goods you have sold. We do not know what your circumstances are, but we fear they may be like those of other men who have failed. Some of us have been here a few years, some of us many years, some of us almost a generation. We have had good pay, we have been able to save up some money, and, while the individual savings are not very large, the aggregate is a very considerable sum. We have come to tell you that it is all yours, to do with what you please, if you need it in the interests of your company."

Oh, my friends, I leave it to you to try to think what my feelings were upon that occasion, because I have never, from that time to this, been able to find words which could properly express them.

And now let me pass to the consideration of those



things which labor seeks and which must be granted before we can have industrial peace.

#### LABOR'S SHARE.

It is evident that wage-earners, *as a class*, are not getting their full share of the profits produced jointly by labor and capital. The wonderful accumulation of wealth by the few, the frequent labor agitations, the number and proportions of labor strikes all demonstrate this.

There are, of course, exceptions, but, generally speaking, labor does not receive its full share. While it is true that the standard of living among working people has greatly improved during the present century, it is, considering the vast increase in wealth and change in general conditions during that time, still far from what it should be.

I never visit the home of a common laboring man but I am impressed with how few of the comforts—not to speak of the refinements—of life are possible for him, and his patience is a constant marvel. To many of them "life is a tragedy too deep for tears." Improving public opinion—a growing conviction that we are our brothers' keepers—is a strong force tending to better the situation of wage-earners, but while instances multiply where just and kindly relations between employer and employe, prove by their results the benefits to each of the mutual recognition of brotherhood, making in some instances labor unions

unessential, yet in the majority of cases these are still necessary to secure just wages, and, what is of still greater importance to American workingmen, the acknowledgment of equal manhood.

The great discrepancy between the rewards of manual as compared with those of other labor, the fabulous fortunes made by speculation, and the forming of gigantic trusts, controlling the necessities of life, are breeding in this country the spirit of socialism.

I do not, however, believe with those who prophesy a social revolution near at hand. I do not believe a speedy overturning of our present social system, imperfect as it is, would be beneficial to any of our citizens, least of all to working people. While the wage system is, I trust, only a station in the advance of labor from slavery to true independence, I do not believe it will be done away with in this generation, but I do believe that many of its hardships may be alleviated, and many of its inequalities largely corrected and great steps forward to better things be taken in our time if organized labor does all it can and ought to do by working faithfully and unitedly to that end, and by being as strict in its observance of the rights of others as it is firm and determined in maintaining its own. I hope and believe that there will be established ultimately, a social system better than that we now have, but I am sure it will come, and will better come by evolution, not by revolution. Its exact form I would not venture to predict, but I do not believe it will be

socialism; I think there is something much better in store for us; but, whatever its form may be, if it is to be final, its methods will conform to the Golden Rule—justice will be its cornerstone and love for our fellow-men its firm foundation.

#### SOCIALISM.

The ultimate purpose of socialism is a commendable one; there is no more desirable object than the elevation of the mass of mankind. It seeks to accomplish this by making the state the only possessor of the means of labor. The state is to order what work is to be done and to divide the returns. My belief is that this would result not in greater freedom or in real equality, but in the most grievous tyranny, and that the equality secured would be ultimately that of general poverty, and that true progress would cease.

If the state is to have universal control, it must exercise an authority more absolute than any of which we have record. If such a tyranny is to guide our daily work, to determine its rewards, to order our incomings and our outgoings for the sake of equality, even that equality, poor as it would be, would not long exist.

It does not follow, however, that if the full program of the socialist cannot be safely pursued, that measures, called by some, socialistic, cannot be safely and profitably adopted.

It is altogether probable that in the near future pub-

lic utilities—what are sometimes called natural monopolies, such as waterworks, the lighting of towns and cities, telegraphs, telephones and street railways—will come generally under municipal ownership or control; ultimately, perhaps, railways and mines will be under the management of the state; but I do not believe that socialism, as strictly defined, will ever prevail in this country.

With a free and enlightened people, having universal suffrage, there is a better way of securing relief from the evils which now exist. It is not necessary to surrender our individual freedom in order to secure equal rights. Bosses and trusts and all conspirators against the spirit of American equality can be controlled by better means, and will be. Without revolution, without disorder, and acting strictly within the law, the American people will find a way to secure equal justice and equal rights to all. This meeting itself is an evidence of their rising determination to put an end to special privilege; to say to corporate greed—thus far shalt thou go, and no farther; to assert and to maintain the truth that this is the people's government, that it was founded by the people and for the people, and that the man who toils, whether at the forge or in the field, in factory or in mine, is as much entitled to its protection and to share in its administration as the greatest so-called captain of industry.

Public morals are improving, public opinion is becoming a factor which is stronger with each day that

passes, and we may never expect to hear spoken again in this country, by the head of even the most powerful trust, those words so contemptuous of the people, "The public be damned."

Those who are called the "common people" are going to take charge of this government, and in their hands it will be eternally safe. "Educated or uneducated, they do not hold party above principle, and their distinctive honesty of purpose gives them a moral power which will be as overwhelmingly great as is their number."

#### IMPROVED FACTORY REGULATIONS.

Common humanity demands that employers of labor should take every practical precaution against bodily hurt to their employes. While the number of these employers who do not recognize, or do not care for their responsibility for the well-being of those under them is, under the advancing humanitarianism of the age, rapidly diminishing, the number of those careless of the safety of their employes, and who will remain so, unless compelled by the law to do otherwise, is very large.

Even if every manufacturer, every railroad president and every mine owner, were all alive to their duty in this respect, public supervision would still be desirable.

The just and humane employer welcomes the suggestions of the inspector for additional precaution against harm to his employes, and urges frequent in-

spections in order that he may be assured that every guard against injury is in place and in proper condition. Here I want to make a suggestion. The law should provide, not only for precautions against injury, but for some means for immediate care in case of accidents. What is known as "Fred's Pouch" should be in every shop, in every caboose and freight house, and in every mine. This pouch was the suggestion of Fred Woodrow, of whom every intelligent workingman knows, or should know. Unselfishly devoted to his fellows, he has justly been styled the "Samaritan of Labor."

It has never been my good fortune to know him personally, but I have read much that he has written, and there is no man I more highly respect. For the suggestion of his "Pouch" I shall always feel personally indebted to him.

This is a pouch in which is kept, open to all, linen and lint, arnica, sticking plaster, antiseptics, etc., with instructions for use.

Many a limb and many a life have been saved by the immediate use of these simple appliances, by which blood poisoning has been prevented.

One would think that every employer of labor would think of and provide them, but it never occurred to me to do so until one of our men, a fine specimen of physical manhood, lost the use of his arm and came near losing his life. When I saw him on his bed, his arm black and swollen to the shoulder, and death threat-

ening him, and recognized that if I had been as careful of his safety as of that of my own son his suffering and danger might have been avoided, I felt almost as if the mark of Cain ought to be upon me.

So I welcome the visit of the inspector, and gladly avail myself of his better knowledge of what safeguards are required, and with all humane men I welcome everything which calls to our mind and enforces the fact that men should be more to us than dollars.

#### EIGHT-HOUR WORKING DAY.

One thing which can and should be done to better the condition of workingmen is to shorten the hours of labor. "Man does not live by bread alone," and workingmen should have greater opportunity for recreation, for sports and for reading and study.

It is their just due, and one which they have a right to demand from society. Shorter hours would lead to the shortening of the list of the unemployed, and assist in securing better wages.

Released from the effect of the constant pressure of large numbers of unemployed, forced at times to accept work at any price to escape starvation, workingmen could easily secure better terms.

The eight-hour day is possible with labor well organized under conservative leaders. Legislation can supplement and confirm what they accomplish, but cannot secure the end sought without their united and harmonious demand. This ought to be made, and I

hope to live to see the time when eight hours will be the limit of a day's work for manual labor in this country.

I am aware of the objection which is made that the effect of such shortening of time is an enhancement of the cost of production which competition with those working longer hours would make fatal, but I am contemplating a reduction so widespread that this would not apply. If an eight-hour day is established in this country in any important trade, the same would be quickly established in England, and then, more slowly perhaps, in other competing countries. If one trade is thoroughly successful the others would quickly follow.

Just men, whatever their positions in life, will oppose child labor and excessive hours of work, not only for the reasons already given, but for the sake of a happy home, without which neither virtue nor religion thrive.

#### TRUSTS.

It is quite a common belief that the evil inherent in trusts is not combination, but overcapitalization. Combination, it is said, brings with it great advantages. It economizes in cost of production, prevents ruinous competition, and, therefore, compulsory lowering of wages, and secures firm prices to consumer and producer. The evil they say is that the trusts by overcapitalization put an excessive value on the properties combined, and that in undertaking to pay dividends



and interest on the stocks and bonds, they seek to take the unearned interest out of either the wages of the laborers or the price paid by the consumer. This is undoubtedly one of the great evils, for the bonded debts of these corporations will be a perpetual burden on the public, but so far as workingmen are concerned they would be in danger whether the trusts are overcapitalized or not; the overcapitalization, of course, aggravates the evil.

It is *monopoly* that gives the power to regulate wages; overcapitalization merely adds an additional incentive for lowering them.

If all manufacturers in a given line are combined the workingmen in those industries have no free market for the only thing they have to sell—their labor.

The two assumptions upon which overcapitalization of industrial concerns are based are that through monopoly higher prices can be obtained from the consumer, and labor be regulated at their will. This would permit the enforcement of the theory which public opinion in this country has long since condemned, that one man has the right to buy the labor of another as he would merchandise, at the lowest obtainable price; that wages must be regulated by the law of supply and demand, with no other restriction than supplying the means of bare existence.

I am not opposed to large corporations, where no monopoly results, and I can conceive of combinations that would be beneficial not only to the parties combin-

ing, but to their employes and the public at large. But the overcapitalized trusts of to-day are practical monopolies. They are a menace to our prosperity and to the independence of laborers. It is becoming a very common belief that while both of the great political parties declare against them in their platforms, nothing will be done to crush them, or effectually control them, and it is held by growing numbers that the tendency toward their promotion is so universal that it must be grounded on economic and moral necessities.

If this is so, if the tendency to monopoly is irresistible, if it is following out the law of progress, and any attempt to resist it will be in vain, then there is but one thing for laboring men to do for their own protection; they must trust each other more and learn to work together more harmoniously. Public opinion is becoming more and more upon their side. The great majority of well-to-do people in this country are in sympathy with them, and the enormous increase of monopolistic trusts will compel all fair-minded men to acknowledge the necessity for labor organizations.

#### LABOR UNIONS.

There are, it is true, still many well-meaning men who object strongly to trades unions. They think them troublesome, a check on production and a menace to social order.

That they are not always peaceable is true; that they

are inimical to productive or social growth is not true, and, for the laborer, they are often a necessity.

While there is an increasing number of employers who recognize their true obligations as such, and who are as sincerely concerned in the advancement of the interests of laboring men and women as they themselves are, and while there is a growing opinion in the world that the man who does not deal fairly with those he employs to aid him in building up his business, is a man to be shunned by his manlier brothers, organization of labor is still necessary in a multitude of cases to insure fair treatment and just wages. Enlightened public opinion is coming more and more to recognize the necessity for such organization, and to recognize the fact that "even if the gains from it were much less than they are, it has the promise of better things."

With all the faults of administration which have in the past and may in the future turn them for a time from the way of peace, their ultimate object leads not only to the improvement of workingmen, but to the advancement of mankind.

Where does self-denial and living for others, not for self alone; the recognition of the universal brotherhood of men, as the sons of one Father; the helping of the widow and the orphan, the care of the sick and needy, find greater expression than in the unions and councils of labor?

The great development of these organizations in recent years; the willingness displayed by their mem-

bers, not only to help and assist those in need, but to do so at the cost of great inconvenience, and even suffering to themselves, to make sacrifices sometimes for those they have never known, and may never know, is to me an evidence of advancing civilization, a step forward toward that time, desired by the good of all the ages, and yet so far away that hope alone pursues it, the time when all men shall know that living for others is the only true life—the only life worth living.

#### RELATIONS BETWEEN EMPLOYERS AND EMPLOYEES.

What are the true relations between capital and labor? What are the facts? The money of the capitalist and the labor of the workingman are both necessary to insure the results sought. Their true relation is that of independent equals uniting their efforts to a given end, each with the power, within certain limits, to determine his own rights, but not to prescribe the rights of the other. The employer has no more right to dictate or even decide how labor shall seek its interest than labor has to dictate to the employer.

With this community of interest, this practical partnership recognized; with fair wages and just consideration of manhood and brotherhood, labor and capital can live and work harmoniously together, even under the wage system.

Nearly thirty years' experience as a manufacturer has convinced me that workingmen do not ask, that they do not desire, of those in whose fairness they have

confidence, more than they believe to be justly due them, and that when an employer wishes to do all that justice demands and necessity permits, and approaches them and deals with them as men having the same feelings, the same objects in life, and the same rights as themselves, there will be no trouble whatever in establishing amicable relations between them.

When the officers and employes of our company march together on public occasions they carry a banner, which has in its center two clasped hands. Over these is the word "Labor" and underneath the word "Capital." It represents, I truly believe, the feeling which exists between us, and I know no reason why it should not, if just effort be made by both, represent the relations of labor and capital everywhere. I believe, in spite of many evidences to the contrary, that we are steadily progressing toward that end, and I speak with the confidence born of conviction when I repeat the prophecy that "though trusts and monopolies may multiply, the cause of workingmen struggling for a more just and equitable participation in the joint proceeds of capital and labor will not suffer. Neither combination of capital, the errors of its friends nor the crimes of anarchists committed in its name can permanently check its onward progress.

Unwise and selfish legislation may for a time delay it, but amply, peaceful remedy is in labor's hands. With organization seeking advancement in intelligence, in education, in patriotism, as well as in wages ;

with leaders unselfishly devoted to right and justice; with a free ballot and a fair count, it will, in the right way, the orderly way, the lawful, honored, American way, secure its just rewards.

#### THE IRREPRESSIBLE CONFLICT.

While between labor and capital there may be and should be peace, between labor and monopoly there can never be anything but war. The strike in the anthracite coal mines may be stopped for a time by the exhaustion of either party to it, but the strife will never be definitely settled while a few individuals, claiming divine authority, assert the right to control a necessity of life, the gift of the Creator to all his children, and to do with as only they see fit.

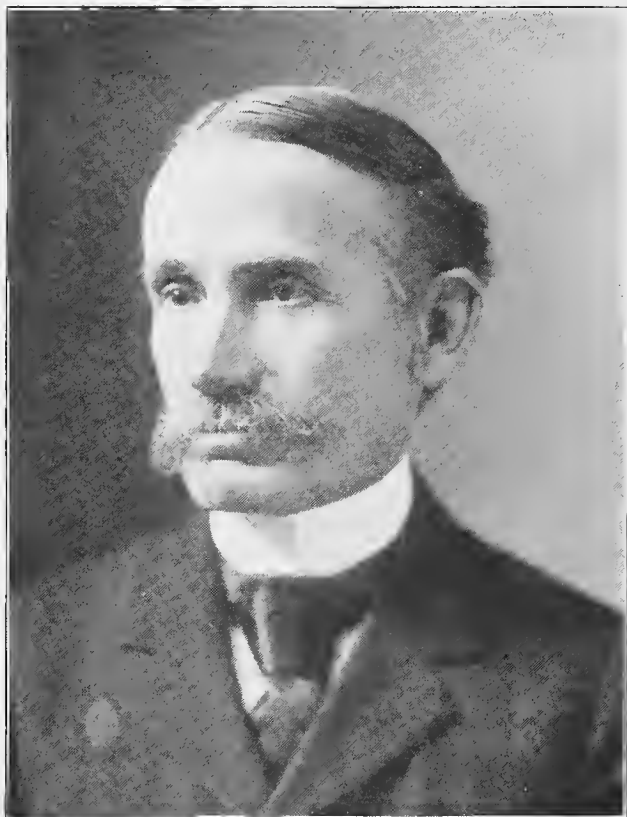
It is said that behind the coal trust are arrayed other large monopolistic corporations, and that these hope for the success of the coal trust in the existing struggle, believing that if it is successful unionism in this country will receive its death stroke. I do not believe it. This is a thing that will never be accomplished. It would be a most disastrous thing, as disastrous for capital as for labor. No, the onward march of labor may possibly be checked and delayed, but it cannot be permanently prevented. The overwhelming weight of public opinion is on its side, and will be as long as it wages its conflict in lawful ways. Let the laboring man remember that *liberty under the form of law* is his greatest earthly inheritance—of more importance to

him than it is to the rich. Let him be careful, as careful of the rights of others, as he is of his own, and in the end he will surely be triumphant, helping the coming of that day, which may God speed, when lockouts and strikes shall be no more, because all men shall recognize and obey the obligations that pertain to the universal brotherhood of man.





IS COMPULSORY ARBITRATION INEVIT-  
ABLE?



JOHN BATES CLARK, PROFESSOR OF ECONOMICS, COLUM-  
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## IS COMPULSORY ARBITRATION INEVITABLE?

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BY JOHN BATES CLARK, PROFESSOR OF ECONOMICS, COLUMBIA UNIVERSITY, NEW YORK CITY.

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INDUSTRY SHOULD MEAN PEACE. IT ACTUALLY MEANS  
WAR.

We have been watching the progress of a strike which, however it may result, means scarce and dear coal for everybody. The harm that this strike does differs only in degree from that which is done by many other contests over rewards of labor. Industry should mean peace; but it actually means a kind of war. We do not stop strife when, as the saying is, "we beat swords into plowshares," or at least when we beat them into coal shovels or spindles or into steel making machinery. Somewhere within the domain where such implements are used there is always a quarrel pending, and if, like an ancient people, we had a temple that

should be open only in time of war, it would be open all the time.

#### BLIGHTING EFFECTS OF STRIKES.

As our economic life becomes more and more intense, strikes become more constant and more disorganizing. Their effect runs through the whole system carrying everywhere a certain blight. At any moment the supply of coal may somewhere be cut off, or carrying may cease, or building be brought to a standstill. In any such case we see at once how the stoppage effects the workmen, the employers, and the consumers. We need to see equally clearly how the system which involves such strife affects the general rate of wages and the increase of capital; how it influences our prosperity at home and our commercial dominance abroad, and what effect it may come to have on the stability of our democracy.

The mere stoppage of production is not, in an industrial way, the most sinister feature of a strike; for the plan that makes men stop working in order to enforce a demand for higher pay or shorter hours impels them to enforce it further by temporarily crippling business in other ways. The sympathetic strike and the boycott come into play as means of cutting off supplies of raw materials or closing the markets for manufactured goods. More literal warfare often appears when new workmen are brought on the scene. While, as the cant saying is, we are "pointing with pride" to

our industrial development and indulging in Napoleonic dreams of commercial expansion and conquest, the forces that must work harmoniously in order to secure such a growth are involving themselves in more and more extended and embittered quarrels with each other. While at war with ourselves we are dreaming of dominion over the world.

THE EVIL IS INSTITUTIONAL NOT INDIVIDUAL.

There is comfort in thinking that this is due to a system and not to the character of the men who are in influential places under the system—although the personal character of the men is far from being a matter of indifference. Good leadership may do much to lessen the evil resulting from a bad system, and bad leadership may do much to destroy the fruits of a good one. The essential fact, however, is that, given a necessity for striking in order to enforce a demand for pay, any body of men would strike. If we challenge him that would never thus sin to cast the first stone at President Mitchell or President Baer, those gentlemen will both be safe from missiles. It is an inspiring thought that, as the evil is institutional, the remedy may be so and that by some change in the system we may bring peace to the world without waiting for it to people itself with better men than those who are now living. If so, the change will indeed react on the characters of men in a transforming way, for the moral effect of industrial quarrels is the worst effect that they have.

## COMPULSORY ARBITRATION IN NEW ZEALAND.

We have lately heard of a country that lies literally and figuratively at the antipodes from ours, where strikes do not occur. New Zealand settles differences between employers and employed by compulsory arbitration and this example has begun to provoke imitation. If we judge the result of the experiment by what most New Zealanders think about it, it has been unqualifiedly successful. Indeed the results of this experiment and others have led at least one prominent New Zealander publicly to tell Americans that the people of his island live in what is at least a vestibule of Paradise and that Americans now live in a purgatory which may be the vestibule of . . . . . something worse. Collective self-satisfaction carried to the point of enthusiasm over one's country and its institutions has been developed in Australasia, and has been carried to the greatest length in the island which is the most original and audacious part of Australasia. This fact should set us thinking whether so much of self-satisfaction has not some adequate grounds and, if it has, whether we are in any way debarred from following so fortunate an example. We need to inquire at once whether the conditions of our own country are less favorable for authoritative arbitration than are those of the remote southern republics. If the differences between our country and New Zealand count in favor of such a system, by all means let some of our states try it.

DIFFERENCES BETWEEN THE UNITED STATES AND NEW  
ZEALAND.

What are some of these differences? First, our system of industry is more complex than is that of New Zealand. This means that our different branches of industry are closely interdependent, and that the paralyzing effect of a strike in one of them extends through the whole system. The injury that it causes goes far beyond the area of dispute and this increases the need of something that will ensure harmony. Secondly; our country is full of trusts; and this means that a strike, instead of shutting off one mill in an industry and leaving the others to continue ministering to the needs of the public, may paralyze the industry as a whole and cut off the entire supply of some needed article. Every such strike is largely against the public and many of them occurring in quick succession might have effect enough to impoverish a country otherwise full of resources.

## THE PUBLIC PAYS THE COSTS OF STRIKES.

The existence of trusts puts many strikes on a radically new footing. A motive for yielding to them is removed. When one employer out of a score in the same industry finds that his men have gone on a strike he is under a strong pressure to make concessions to them. He has everything to lose by the stoppage of his mill while those of his competitors continue run-

ning. These rival mills are likely to increase their output and secure to themselves the custom that formerly went to the one that is now closed. A trust has no such rivalry to fear and can bide its time before yielding to its men. On the other hand the trust has much to gain by first holding out till its men are near the end of their resources and then making some small concession that will bring them back to their work. It can charge the cost of such a concession to the public and exact a large profit besides. It can mark up the price of its products and make the public pay twice over the costs that it incurs in fighting its men. If a number of such strikes should occur at once, the burden would fall crushingly on the general body of working people, who are the largest and most sensitive part of the consuming public. Imagine the effect on families whose earnings are a dollar or two a day of strikes that should stop at the same time the business of the coal combination, the biscuit trust and the meat combination. Can they stand dear fuel and dear food at the same time? If the steel trust were involved, so that building operatives should be crippled, and if a few railroads were also affected, the hardships suffered by the poor might exceed those of the severest commercial crisis which our country has experienced. Such strikes have not yet chanced to come together, but under the present mode of adjusting wages the growth of trusts invites them and the time may come when there will be strikes enough in progress at once to throw



terrible burdens on the class least able to bear them. In a way that is entirely new trusts are beginning to throw the burdens of industrial warfare on the public, and mainly on the wage earning part of the public.

#### A ONE-SIDED SITUATION FOR WORKINGMEN.

Another important change due to trusts is to be considered. The country is now forced to chose between two alternatives both of which are already nearly intolerable and will soon be quite so. To understand them we must go back to the original purpose of trade unions. Theoretically, competition gives to the laborer the value of the product that he specifically creates. The mill and the men together turn out certain quantities of cloth, shoes, or what not, and there is a distinguishable part of this joint product which is traceable to the labor alone. The value of this separate part of the output of cloth, shoes, or pig iron, as the case may be, is the natural pay of the men who make it, and this is what competition would give to them if it worked in entire perfection. It does not work in entire perfection, and one of the things that interfere with its working is the inequality of strength that is apparent when consolidated capital makes a bargain with unconsolidated labor. The working of the natural law of wages requires that if capital acts in masses, labor shall do the same. With workmen partially organized the situation may still be one-sided, for it may be possible for a great corporation to gather a force of idle

men from remote parts of the country and use them to break a strike. What a trade union can compel an employer to pay is thus partly governed by what idle men here and there are willing temporarily to accept, and that may be an amount that by no means represents their entire earning power. Strike breaking freely allowed appears to cause wages again and again to fall somewhat below their normal level, though it may allow them afterwards to rise slowly toward or to it.

#### STRIKE BREAKING.

Yet there is not in our civil system any provision for restraining this strike breaking operation. Idle men have an absolute right to take work when it is offered to them, and employers have a perfect legal right to offer it. The only influence that prevents the offering and accepting of such work is that which trade unions themselves exert, and they exert it in a way that easily runs into a breach of social order. Persuasion is legitimate and when that alone suffices to deter non-union men from working, the situation is not abnormal; but violence is not legal and neither is that kind of persuasion which involves a threat of violence. If one says to a strike breaker "stop working or your house will not be safe," the law is in effect gravely violated, even though the man stops and no house is burned. The actual condition of a country in which trade unions are not universal and are not chartered and responsible bodies, is one in which a power to terrorize and as-

sault is exercised by irresponsible bodies of men. The country does not fully protect the strike breaker. It tolerates attacks on him and tacitly permits him to be forced off from fields where disputes are pending. It does this on the ground that strike-breaking works a certain hardship for organized labor. From a reluctance to sanction that hardship it holds its hands and refrains from giving full protection to non-union men unless disorders become too acute to be longer tolerated.

This may easily, create a condition that is unendurable. The law will never formally surrender its function of protecting persons from assault. It came into existence in order to do this and to stop doing it is to permit a reversion to partial anarchism. The state is actually vacillating between tolerating so much of anarchism and tolerating the easy breaking of strikes against powerful employers. It accepts a measure of both evils. It feebly asserts itself as a protector when positive riots occur, but in any state short of that it is apt to let things take their course.

#### THIS IS MY JOB.

Let us look a little deeper and put into words the unformulated motive for the state's present anomalous policy. In a tacit and irregular way it accords the workmen who now have possession of a field of labor a certain *right of tenure of place*. They occupy a position, as squatters occupy their little farms,

with no legal title that can be defended; but though the law formally permits evictions, public sentiment which looks more deeply than law, does not freely permit them. The workman says: "This is my job and an interloper who would take it from me is a quasi-robber;" and though the state cannot and will not assert that the mere holding of the job gives a right of property in it, it still acts on the feeling that the man in possession of the place has a vaguely defined claim to it and ought not to be thrust out in favor of any one who may be willing temporarily to work for less pay. There is growing up in the community a customary practice that might grow into something equivalent to law, which gives to the men in an employment a preference over other men; and we are to this extent tacitly recognizing that quasi-right of tenure of place which workmen so strongly assert and so irregularly and dangerously vindicate. We let them protect their places by persuasion backed, at need, by force. We let cudgels and brickbats in irresponsible hands do what we are not willing to do in a regular way.

#### ESSENCE OF REASONABLE COMPULSORY ARBITRATION.

Is this condition a tolerable one? Will it be endurable at all if the amount of such coercion greatly increases? If not, how many ways are there of escaping from it? For state socialism it is safe to say the majority of us are not ready, and even if it were to come, it would bring with it a condition in which the

rewards of labor would have to be fixed by some official body. The process would be far more arbitrary than is that of the tribunals which, in Australasia, adjust the terms of employment. If the plan of doing this by contract between employers and employed is to continue at all, the state must choose whether it will or will not give some recognition to the claim of organized laborers to their tenure of place. If it denies this right, strike breaking should go on under the protection of the state and without let or hindrance from any other power. If it recognizes the right, the state is the only agency that can properly enforce it. The state must say when a body of workers may be thrust away from the mills, the mines, or the railroads where they have been working in order that a new body of men may be put in their places: There are conceivable grounds on which it might be right to thrust them out. If they are acting arbitrarily and unjustly, if they are restricting the number of their members and demanding abnormal rates of pay for themselves, they are acting as monopolists, and there is no ground for protecting them; but if their demands are reasonable, it is in order for some competent authority to say so and to ensure them, so long as they continue so to act, against a loss of their places. *This is the essence of the only compulsory arbitration that I am willing to recognize as desirable.* It hinges on that claim to a tenure of place which organized workmen assert and vindicate in their own irregular way. It legalizes this right

to the extent of protecting from eviction men who accept terms that are pronounced just, but it leaves men who reject just terms to go elsewhere and shift for themselves.

#### EXTREMES TO BE AVOIDED.

Compulsory arbitration might easily go beyond this; and it has been supposed by many persons that it would do so and that it would encounter constitutional difficulties. It has been thought that, in announcing to a corporation what would be a fair rate of wages, the tribunal would virtually say: "You must pay this and you must run your mill, whether you want to or not." This would be regarded as an interference with the rights of capital. It has also been supposed that in announcing the fair rate to the workmen the court would say to them: "You must take this amount and actually work, whether you wish to work or not," which would be considered an interference with personal liberty. This kind of compulsory arbitration would encounter practical as well as legal difficulties, since forcing unwilling men to work or convicting and punishing them if they refused to work would be far beyond the present capacity of the courts and the police force. If, on the contrary, we say to a body of strikers "Continue at work while we investigate your claims. If you demand only that natural rate of pay which represents what you produce, you shall be protected in your tenure of place. If you ask more, we will announce

the rate which is natural and fair and give you the first option of accepting it. If then you refuse to take it, your tenure of place is forfeited; the employer may put new men in your places and they shall be protected by the fullest power which the state can exercise."

This is the only logical outcome of the present anomalous and intolerable condition. As it is there are those who would have the state put forth its ultimate power wherever a strike occurs and protect to the uttermost the non-union men whom the employing corporations may bring in to break up the movement at its inception. This is now what the law itself formally requires and yet there is not much actual probability that this policy will be adopted. The number of those who demand this rigorous action is too small to count as a power in controlling the policy of the state. On the other hand the plan that would do openly what the state often does tacitly and would cease altogether to protect non-union men, and would leave them to be dealt with as strikers might choose to deal with them is unthinkable.

#### IMPARTIAL TRIBUNALS MUST BE PROVIDED.

Letting the present semi-anarchism continue and increase would be thought of only if there were no way of avoiding it. There is one way only of avoiding it, and that is by providing for impartial tribunals, which shall declare on what terms the workmen now in a given industry may keep their places in preference to

other men and on what conditions the other men may be allowed to come in under guarantees that will make them safe. It is an adjudicating of the organized workmen's claim to their tenure of place, enforcing this claim when it is made on just terms, and otherwise declaring it forfeited.

This question in regard to a tenure of place would arise and disorders would grow out of it if no trusts existed; but the trusts are giving to it a vastly increased importance. Not only has the issue involved in the claim of the man to his job now to be fought out on a greatly enlarged scale, but the claim itself is held with increased tenacity. It is a serious matter for a man to be turned out of a mill, even if other mills are open to him; but it is a far more serious matter for him to be turned out of his industry altogether. In these days no strike that is general in an industry is ever allowed to mean that. The men who were in the works of the steel trust before the late strike are for the most part there now, and the same will be true of the anthracite miners whenever the present strike shall be settled. Society has accepted the fact that men now working in any industry will, as a practical fact, continue to work there. It now lets them guard the possession of their places as best they can and does nothing to determine when they have a right to them.



## ANARCHY INHERENT IN PRESENT SITUATION.

In general it may be said that there is anarchy inherent in the present situation, and in two ways consolidations are making it worse. First. They enable employers to put the costs of strikes on the public and makes them less unwilling to have them long continued. The burdens fall most heavily on workingmen, who are the most numerous and most sensitive part of the public. They feel the injury most and have most of it to feel. Consolidations also make the workman's tenure of place more important to him and impel him to defend it, though he can do this only in irregular ways. The scale on which all this is taking place is growing larger, as the consolidation of capital and the organization of labor progress; and it is a question of time when the evil will become too great to be borne.

I should like, if there were time, to try to prove that the kind of compulsory arbitration that I have suggested is practicable and to try to prove that a court that settles the question of the workman's tenure of place has an obvious and practical way to enforce its decrees. I should like to speak of the attitude of particular classes toward the policy of authoritative arbitration and of the motives that some of them find for opposing it. I have devoted the brief time at my disposal to considering the forces that make steadily and powerfully in the direction of such a mode of settling an otherwise insoluble problem. In the end the deep

acting forces must, as I think, prevail. We shall have the system, though it would be rash to say how soon we shall have it. So long as workmen claim a right to hold their places and actually protect them by irregular force there is no escaping from the conclusion that society is called on to adjudicate that claim and to enforce it in the cases in which it is to be enforced at all. So much of compulsory arbitration as this signifies society will be forced to resort to, if it will not do what, in medical phrase, may be called "establishing a tolerance" of anarchism. It may get used to a semi-anarchical state and endure it as best it can. Society will not force men to work if they do not wish to do so. It will let them abandon their employments definitely if they choose to do this. It will not let them be forced ruthlessly out for demanding a just rate of pay, but on the other hand, it will not let them demand an unjust rate and fight off the men who will accept a fair one.

#### SUBSTITUTE JUSTICE FOR FORCE.

It could be shown if there were sufficient time, that so much of authoritative arbitration as this signifies would protect both labor and capital from wrongs which they now suffer through the irregularities of the present industrial state, and that in all probability it would result in insuring rates of wages that would come nearer to the normal standards based on the productivity of labor than do the rates which now prevail. It is evident on the face of the measure that it

would have a vast moral advantage over the plan of fixing wages by the battle of muscular power against a money power. It would substitute justice for force at a critical point and on a vast scale. It would do much to make democracy sound and fraternity possible. It would bring within reach the commercial triumphs of which we have been dreaming; for it would remove a serious handicap under which we are now entering the struggle of nations for foreign trade. Other things being equal the nation that will win in that field is the one that shall first live at peace with itself. If law is to rule and democracy is to succeed and become permanent, if our country is to become rich, contented and fraternal and is to have its vast strength available in the contest for the prizes of a world-wide commerce, a system of authoritative arbitration is inevitable.



## ARBITRATION.



HERMAN JUSTI, COMMISSIONER, ILLINOIS COAL OPERATORS' ASSOCIATION.

## ARBITRATION.

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BY HERMAN JUSTI, COMMISSIONER, ILLINOIS COAL  
OPERATORS' ASSOCIATION.

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### ITS USES AND ABUSES.

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The subject of this address is suggested by the freedom with which the term "arbitration" is used as a word to conjure with. Its meaning seems to be little understood, and just at this time it is confounded, even by men who should know better, with mediation, conciliation or friendly intervention. To many people it is something new, and to the popular mind its very novelty places a dangerous glamour about it. The gravity of arbitration and all that it involves is little appreciated, and herein lies one of the prime causes for its abuse. Wise labor leaders and thoughtful employers of labor view it alike with apprehension.

Any plan of settling labor disputes that is labeled "Arbitration" seems to catch the popular fancy; but as in all other matters, those who are ignorant of the issues involved and understand the question least, are

the very persons who discuss it most, and who are most insistent upon its adoption for everything. With the masses arbitration is the first thought, while with those who are constantly dealing with labor disputes, or with those who have something at stake, is a last resort.

Speaking from the viewpoint of one whose time is entirely occupied in adjusting differences arising between employer and employe in the coal mining industry of Illinois, I say that arbitration should never be resorted to save in an extremity, and that the energy and interest displayed in advocating its general adoption could be better applied to all those simpler and more practical plans and methods of adjustment designed to render arbitration unnecessary.

The popular idea of arbitration is an erroneous one, and if it prevail the labor problem will be complicated instead of simplified. Arbitration's popular synonym is "compromise," and there is nothing more mischievous than a compromise on any question of principle. Someone says: "Let the fine-spun rights of the case go, but get to work!" Could anything be more destructive of the foundations of our industrial life? There are some compromises which bring temporary good, it is true, but ultimate destruction must result, and many who have fulfilled the demands of the written law will stand accused before the "bar of eternal justice" for a wily evasion of those invisible questions and meanings which have their answer deep in the breast of humanity.



"What is fairer than arbitration?" is a query heard on all sides. Nothing is fairer than arbitration when arbitration is positively required, when all the parties to the dispute desire their differences arbitrated, and when the arbiters are men who have been selected because of their special fitness for the work.

#### ATTRIBUTES OF THE ARBITER.

The difficulties of wise and just arbitration may be faintly comprehended when we fairly appreciate the qualities required of an arbiter of the first class. A judge upon the bench may wisely and justly administer his high office, and yet lack some of the essentials of an ideal arbiter in labor disputes; for the arbiter cannot be controlled by general rules or statutes, by precedent, by general information or opinion, or by technicalities, and he must investigate the facts of the case in such a way as the varied duties of the office of a judge will not permit. A combination of the qualifications of an arbiter is indeed rare, for he should be a person possessed of strong human sympathies, with a calm, judicial mind, with business training or natural business genius, a keen sense of right, true courage, a knowledge of the subject which he is called on to consider in all its phases, and a clear and almost prophetic view of the ultimate consequences of the verdict he is to render. A proper recognition of the true dignity of both labor and capital is an essential element when the equal rights of employer and employe are involved,

and the arbiter who, at one and the same time, scorns the deification of mammon and avoids demagogic allurements, and who will in turbulent seasons keep himself in mid-stream with every faculty intelligently, calmly and sympathetically outstretched toward either shore of feeling, can send upon the most troubled and vexed questions the satisfying unction of justice, which is ultimately synonymous with peace. There are few dangers for the arbiter who refuses to cling to the enticing shore of popular sentiment, which too often involves the wreckage of great enterprises on somebody's, or some corporation's, sordid little rock of individual interest.

#### ARBITRATION A MAKE-SHIFT.

It must thus be clearly seen, that arbitration as a make-shift is an absurdity, utterly useless as a means of promoting industrial peace, and mischievous in its consequences. It must also be just as clear that arbitration is equally acceptable to employer and employe when both believe something is to be gained by it, and it meets with equal opposition when there is a mutual conviction of impending loss. "Old Adam" is always on deck; crafty, cunning, but not wisely selfish. If wisely selfish, we should hear of "lockouts" and "strikes" only at long intervals, for the "wisely selfish," if not endowed with good business sense, seek at least to cultivate it, and here let it be understood that the labor problem is a business problem, and that the

only relations existing between employer and employe are contract relations, while any other relations are purely voluntary or elective and can only exist by mutual agreement.

#### AS AN HEROIC REMEDY.

While firmly and confidently believing in the advantages of proper arbitration, it must be admitted that the only way to render arbitration effective is to render it so costly—so very difficult to obtain, that it will be resorted to as an heroic remedy and not as a panacea for every ill. That is to say, it should be applied to the labor malady in an extremity, or when every other remedy has failed.

The truth of this should be patent, for the secret of all absence of discord in the family system is the co-operative spirit harmoniously applied to the recognized rights of the individual members, and where this exists there is no need to resort to the undignified formality of calling in the traditional wise counsellor or friend of the family, to settle the internal difference. An industry, like a family, should not grow dependent upon an alien strength to settle its disputes, for its success and prosperity rest upon its own intelligent ability to adjust such differences. If arbitration is too easily accessible it may defeat the very end desired.

To illustrate, let us suppose there is either an understanding between disputants at a certain industrial plant to the effect that all parties shall continue at work

pending an investigation of differences and disputes and of a decision by a board of arbitration agreed upon to adjust these differences or disputes, or there is not such an understanding. If such an understanding exists, the failure to reach a decision may seriously injure the laborer; while on the other hand, if there be no understanding, there is danger that the industry involved may be made idle indefinitely, to the serious or disastrous injury of the owners, and the injury of either is unquestionably the injury of both.

#### ENCOURAGE SELF-RELIANCE.

There is a further and a better reason for deferring arbitration until all other means of adjustment are exhausted. In my opinion, differences and disputes should be settled as near their source as possible, and with the least possible delay. Introducing a third party often complicates and seriously delays a settlement. Weakness, vanity, error, like threads inharmonious in color woven in a fabric, run through our whole human nature from the most exalted to the most humble. All alike shrink from the exposure of personal weakness, error of judgment, or wrong-doing. All alike, whether base or noble, want to share in the final and wise adjustment. It is well, therefore, that arbitration is not only so remote from us as to keep us from temptation, but so difficult of access that all parties in interest will feel they must try to work out their own salvation without it. Thus arbitration will be dig-

nified and respected and its decrees when rendered will be trusted and obeyed.

To build up in our people the spirit of self-reliance is essential. Break down confidence in self, or lessen the consciousness of our responsibility to ourselves and to our fellows, and we become a race of weaklings, shirks and demagogues, and the very institutions formed to prevent trouble become nurseries where trouble is fomented and demagogues and time-servers are created. If arbitration is made so easy that employer or employe can resort to it upon any pretext, then the result will be that wherever it is believed any advantage can be obtained by one side or the other, the responsibility of settling questions in dispute will never be assumed, as it should be, by those immediately in authority or interest. Thus arbitration will, in the very nature of things, soon be in bad repute. No dignified plan of arbitration will ever be successful until all wise and honorable means have been exhausted in devising a simpler, quicker and equally fair method of settling the vast majority of such disputes as arise from day to day.

#### UNEQUAL CHANCES.

The proposition to arbitrate under any and all conditions is not unlike the proposition of a "New Englander," who, having been engaged in a game of poker with a Kentuckian and having lost, suggested that his money be returned to him and that a fresh start in a new game be made.

"No," replied the Kentuckian, "I have your money and the game is ended."

There is no more reason why under all circumstances the proposition to arbitrate should be agreed to than there was reason for the Kentuckian to return the money he had won in order that the unfortunate New Englander might renew the play.

Another story suggests itself which will further illustrate the absurdity of most proposals to arbitrate. In the wilds of the far West an Illinoisan and a Kentuckian met; the former had a deck of cards and the latter a bottle of "Bourbon." The Illinoisan proposed a game to the Kentuckian to determine who should possess the bottle. "No," said the Kentuckian, "the bottle is mine now, and much as I love the game, I do not play it and play fool at the same time, but to show my friendliness we will share the contents of the bottle as long as it lasts." Here was practical common sense, and the spirit of conciliation.

Thus we see that no one wishes to submit to arbitration where all the chances favor a rival and where those who have something to lose have nothing whatever to gain. The man, whether employer or employe, who has everything to gain and nothing to lose by arbitration always favors it. Could anything be plainer?

#### THE ANTHRACITE STRIKE.

Let us consider a serious dispute, fresh in the public mind, to illustrate the unreasonableness of the proposition to arbitrate it.

The strike in the anthracite coal field in Pennsylvania was preceded by a proposition made by Mr. John Mitchell, president of the United Mine Workers of America, on behalf of the miners, to the operators in the anthracite coal fields of Pennsylvania. President Mitchell proposed for consideration of a board of arbitration four questions or points in dispute between miners and operators. These were, let us say:

1st. An advance in wages.

2nd. Reduction in the hours of labor from ten to eight hours per day.

3rd. Paying for actual weight of coal instead of by the car.

4th. Recognition of the union.

The anthracite coal mine operators declined to arbitrate. However much they may otherwise deserve censure, admitting for the sake of argument that censure is deserved—they not only acted properly in refusing to arbitrate, but they did exactly what Mr. Mitchell and the miners' organization would have done if the converse of the miners' proposition had been submitted to them.

Let us suppose the following proposition as coming from the operators and submitted to the miners:

1st. A reduction of wages.

2nd. Increase in the hours of labor from ten to twelve hours.

3rd. Enlargement of coal cars now used.

4th. Refusal to employ any miners who are members of the United Mine Workers of America.

What reply would Mr. Mitchell have made? Mr. Mitchell would have said—"it is absurd." Why? Because, as a result, no possible benefit could accrue to the miners. That would be a correct answer. The anthracite operators declined for the same reason, since they could not possibly gain anything by arbitration, and they might lose much. The fact is, Mr. Mitchell, who is a very able and a far-seeing man and as scrupulously honest as he is able, could never have expected the anthracite operators to accept his proposition; but he had a right to make such a proposition and he had a reasonable right also to believe that the anthracite operators might offer a counter proposition, or at least make some reply less cold, more conciliatory, less defiant, than the now famous reply couched in the undiplomatic language—"We have nothing to arbitrate."

#### A TRAGIC MISTAKE.

This citation is not made in criticism of either Mr. Mitchell, or of the anthracite miners, or of the anthracite operators, nor do I mean to express an opinion on the merits of the dispute.

The anthracite operators are total strangers to me, and therefore I could not be for or against them on personal grounds. I do know Mr. Mitchell, and my confidence is so strong in his ability, in his disinterested devotion to the cause of the laborer, in his love



of truth and justice, that I wish with all my heart these anthracite operators, who are painted as black as darkest night, would take him into their confidence, just to show the world that the so-called "cruel coal baron" and the "walking delegate" are not so far apart and not so unlike, but like the rest of us, are full of human weaknesses and yet stamped with God's likeness.

It is not, I say, my purpose to criticize either Mr. Mitchell or the anthracite coal operators. I only wish to make clear my opposition to indiscriminate arbitration, as seems to be universally urged in the present instance, and to any ill-considered reply to such a request as Mr. Mitchell's; for, after all, he was simply exercising the right of petition on behalf of 150,000 miners.

I have merely sought in mentioning these incidents, to demonstrate how a *short* answer will have the opposite effect of a *soft* answer, and to show how far from the truth are those who think that arbitration is always a fair and simple thing, as well as to point out what tragedies may follow from seemingly unimportant mistakes.

Under existing conditions I do not know that the strike in the anthracite field could have been averted, but I do believe that it has been prolonged by an utter absence of tact on the part of the operators and by the intermeddling of well-meaning parties who have considered themselves specially qualified to adjust the dispute.

Political intrigue and interferences have not helped

in the present instance, nor will a wise precedent be established for the future, should the present strike be terminated through such an agency.

#### WHAT MIGHT ENSUE.

The most persistent advocates of indiscriminate arbitration are generally of the class who know least about the danger of arbitration, for the reason that the proposition to arbitrate is seldom carried home to them. Those who have most to say upon the subject, among the class of our citizens who are at the same time the most intelligent, are notably our clergymen, our lawyers and our editors. Some of the difficulties of arbitration, as they appear to others, might be carried home to them.

Let us say, for example, there is a dispute as to what salary a certain widely-known, distinguished city clergyman should be paid, and to settle the controversy it is submitted to a board of arbitration. Again, here is the question of the fee of a prominent city lawyer in dispute; this also is to be submitted to arbitration. Here is an editor, or newspaper publisher, the subscription price of whose paper is in dispute. All of these—the representatives of the learned professions—have acquired the habit of saying that honest and intelligent arbiters will untangle the knottiest proposition. Suppose the city clergyman's salary is to be decided by a board of arbitration, and it is submitted to one composed of rural preachers, who are admitted to be hon-

est and intelligent men. The salary of the famous city clergyman would in all probability assume sorry proportions.

Then, again, let a board of arbitration, made up of fair and honest country lawyers, pass upon the fee of a city lawyer. Does anyone wonder what the result would be?

Here is the publisher of a newspaper in a town of 50,000, and the public complains at the obligation to pay five cents per copy for a local paper. The question of the subscription price of the paper is submitted to arbitration and the board is made up of newspaper readers of a large city. If they render a decision based upon the ordinary rules, what will be the result? They will decide that the rural paper is worth certainly no more than the great newspapers published in New York and Chicago or Philadelphia and Boston.

In the coal mining industry of Illinois, arbitration by outsiders would be well-nigh impossible, whether the interests of employers or employes are to be considered. Why? Because in the coal industry of Illinois certain fixed or accepted principles of political economy were thrown overboard long ago. It is no longer a question of the survival of the fittest—a question of natural conditions—a question of the earning capacity of the workmen. It is the competitive conditions which must be taken into consideration in order to determine the scale of wages for mining coal; it is a question of giving or of dividing work in mines and

among miners in the different coal fields of the state. Arbiters not thoroughly familiar with all the details of coal mining or with the peculiar conditions of the coal mining industry in Illinois might succeed in either arbitrating some of the operators out of business, or in arbitrating a large number of deserving workmen out of employment, because most men not in the industry itself would be governed by the general laws of trade or of political economy. Is it surprising, therefore, that corporations representing great industrial interests, or labor organizations representing the sacred and vital interests of laborers, hesitate to arbitrate, and especially to arbitrate through an alien body?

#### JOINT AGREEMENTS.

The coal miners and coal mine operators came together in 1898 and adopted what is known in the bituminous coal fields of the central states as the system of "joint agreements," or what is called in the schools of economics, a system of "joint bargaining." While, perhaps, only minimum good of it has thus far been realized by its founders, still it seems to me the most practical and equitable system ever devised, because it not only recognizes the contract relations of employer and employe, and it sometimes provides a way of adjusting differences and disputes arising between them and under the agreements, within the industry itself, but it points the way for others who have known the maximum of discord, the way to industrial peace,

when capital is once generally organized, as it must and is certain to organize in the near future. Thus home disputes are kept at home and the soiled family linen is not laundered where a curious public will gaze at it, comment and make mischief. Strange as it may seem, even in the coal mining industry of the bituminous fields where coal miners and operators are on easy terms, there is still some reluctance, if not suspicion, regarding what might be designated "Arbitration," and that, too, as applied and regulated within the industry itself. As showing this to be true, here is one of a series of important resolutions proposed at the Interstate Convention of coal miners and coal mine operators held at Indianapolis in February, 1902:

"Confidently believing the system of the joint agreements, under a joint movement of employers and employes, to be a wise and safe system if honestly and faithfully adhered to, and to perpetuate and perfect that system, if possible, in the coal mining industry representing the bituminous coal mining industry in this Interstate Convention, we declare ourselves ready to provide for the settlement of disputes or differences arising under our interstate agreements by the formation of a board of referees to which such differences or disputes may be carried, in an extremity, for final adjustment."

The remaining resolutions of the series were adopted unanimously, but the one above quoted was opposed and voted down by the miners of the four states and the

operators of three states represented in the joint convention. If afraid of themselves, why not afraid of an alien agency?

#### WHO IS THE THIRD PARTY?

When strikes occur and when there is talk of arbitration a good deal is said on the subject of a "third party." Who compose the "third party?" Are we not every one almost at one and the same time more or less of the first, second and third party? If there is a strike in the office of the publisher, or of the merchant, the parties directly concerned are of the first or second party, while the same parties are of the third party when there is a strike in some other establishment or industry. It is this so-called third party which, when it does not belong to the first or second party at the time, often urges compulsory arbitration. Compulsory arbitration should therefore not be demanded unless the first, second and third party are all agreed, after due deliberation, that compulsory arbitration is not only the best form of arbitration, but that it is absolutely needed and that it can be adopted with safety under our peculiar form of government, and in our land of varied interests. But to me it seems that we can never agree in this country on compulsory arbitration, though in quasi-public enterprises there are times when it might seem to be desirable. Some law may be needed to prevent "strikes" or "lockouts" where, by reason of these, travel is stopped or rendered hazardous, or where the

supply of light and water is shut off. When such a law, however, is enacted, it must not be left either to the agents of great corporations, to our labor organizations, or to the amateurs now clamoring for it, but it must be drafted by the most experienced, the wisest, the fairest and the most far-seeing students not only of political economy, but of the existing conditions. In the matter of putting such a law on our statute books, let us make haste slowly. Let us trust to a wise form of self-government in such matters being evolved within all our industries in the process of industrial evolution, and let us concern ourselves less with all forms of arbitration and more with plans for rendering arbitration unnecessary.

How many employing firms or companies who now seem to think that compulsory arbitration, or some form of arbitration—such as that which it proposes to force upon a great industry by the power of public opinion—how many of such will stand for it? How many organizations of labor will stand for arbitration that is either forced upon them by reason of some law upon the statute books, or by reason of the power of an unenlightened and unwise public opinion.

Both well-informed, expert authority on the side of labor and on the side of capital, have pronounced forced arbitration or compulsory arbitration useless, if not a failure. Only that form of arbitration is wise and salutary which, besides being born of our ultimate needs, is the result of our ever-growing love for and

our ever-clearer insight into the principles of justice, divine in their origin and nobly human in their application.

#### ORGANIZATION OF THE EMPLOYER CLASS.

All talk of arbitration or anything akin to it is well-nigh idle, unless we take account of organization—not only as applied to employe, but organization as applied to employer. Whether we oppose it or favor it, organized labor has come to stay, and it must therefore be considered because we must deal with it. The employer class must organize to a point of excellence and efficiency where organized labor will respect it.

*I am convinced that only by organization can common labor get the maximum wages for its hire. I am equally well convinced that only through organization of the employer class will capital obtain from organized labor the most and the best service in return for the wages paid.*

It is my belief that all great departments of industry must have their departments of labor if serious friction is to be avoided, and if the dividends of capital and the wages of labor are to be fairly and wisely adjusted. When we pause to reflect, is it not remarkable that all the departments of great business enterprises have their specially appointed heads to direct and to manage, with the exception of the department of labor? This is allowed to get along as best it can, and yet what department of any great business enterprise is of equal im-



portance? This seems the more inexplicable and indefensible in view of the fact that when we reduce the whole problem of business competition to concrete form there are only two propositions after all with which the business man has to deal: the price of labor and the rate of interest.

When we stop to consider this question reduced to its extremity it is not surprising that in the past and before labor was organized the breach between the employer and the employe became serious. Labor in the past has made its sacrifices when times became hard and when competition was sharp and ruinous, so it was fair labor should have shared in the benefits of whatever prosperity the country at large enjoyed. The law of supply and demand as applied to the human commodity is revolting to me, and that this law has been too rigorously applied in the past will go far to explain the wide breach between capital and labor.

Though we must submit to the application of the law of supply and demand, it must not be with an utter disregard of the rights, feelings and well being of our fellow man.

With the organization of labor this evil has been greatly mitigated and a new problem has arisen, easy enough to temporarily solve in prosperous times like the present period, but what may we expect when reverses come and a reduction in wages may seem necessary? Many vital questions will arise calling for something more than passing attention. To arrange

an equitable basis for determining such matters must, therefore, be the work of some one, not only specially appointed, but specially qualified; and what is true of one industry is true of all industries collectively. All of these industries collectively must have their force of specialists, who are experts in this department of science, to whom should be committed all those questions affecting capital in its relations to labor.

#### GOOD SAMARITAN NEEDED.

In no age of the world has the labor problem seemed either more complicated or more important, and in solving it we must look to experts or specialists—to wise, strong, fair men who will consecrate their lives and dedicate their talents to its proper solution. It is a great, vast, intricate problem, and it is not enough, therefore, that we have “good Samaritans,” wise philanthropists, kind and generous men and women in large centers of population helping to solve it, but what we need is more such lives as these, consecrated to humanity in the lowly walks of life and in out-of-the-way places. All of the world’s suffering, discord, want and ignorance is not confined to the larger cities, for in the smaller manufacturing towns, and particularly in the mining camps, may be found a class of citizens who are both needy and deserving, and who by accident of birth must tread the wine-press alone. These, if benefited, would give back with wholesome interest.

The youth in these localities should appeal to those who seek to make the world wiser and better, and it is plainly the duty of true philanthropy to provide every means for the development of the heart and mind and brawn of youth.

In obscure neighborhoods opportunities for growth are sadly limited, nor can they be created when the material of which opportunities are made does not exist. The harvest is great in such sections, but the laborers are few, and wise and generous men must either provide advantages or carry the youth into an atmosphere where his mental, moral and physical nature may escape the sickening blight of unwholesome environment.

#### SEEING OUR DUTY CLEARLY.

An occasion like the present confers upon society only the minimum of good unless the lessons here learned and the resolutions here formed are religiously enforced day by day. It is altogether too true that as citizens, though declaring our devotion to our country, we give to it our last instead of our first thoughts and we proffer it with reluctance, a few spare moments, where hours of undivided service and thought are demanded if we mean to discharge our simple civic obligations. Let us once learn to discharge these obligations and herein will lie the golden use of arbitration, while its abuse will become as rare as the need of its proper enforcement. Let those who have heard me

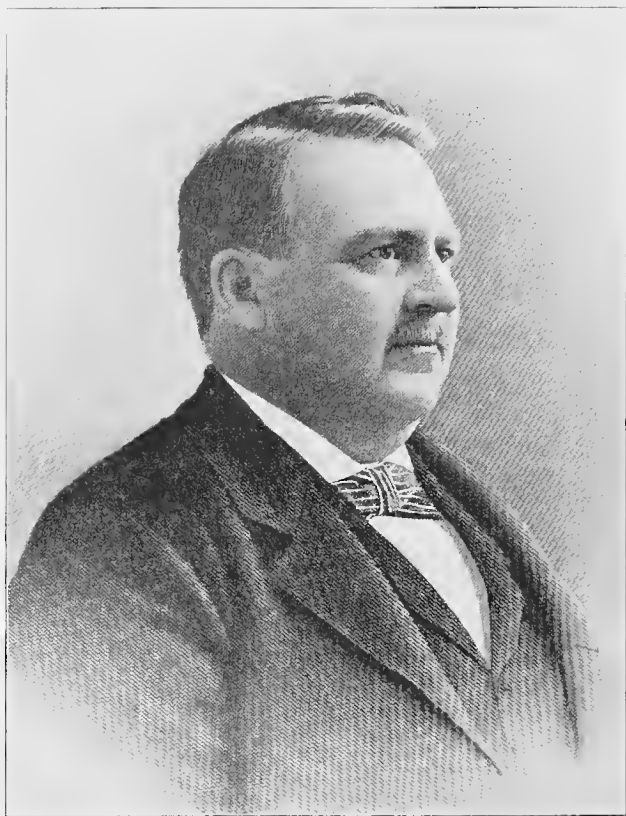
to-day remember that while admitting the abuses of arbitration, I have not denied its proper use.

Let us arise to the needs of our times and remove the dangers by which we are threatened. Let us apply to all public questions, but more particularly to that most vital question affecting the relations of capital and labor, our well-earned national virtue—common sense, and the boasted quality of our race—the spirit of fair play.

“Let us cleanse

The hearts that beat within us; let us now  
Clean to the roots our falseness and our pretense,  
Tread down our rank ambitions, overthrow  
Our braggart moods of puffed self-consequence,  
Plow up our hideous thistles which do grow  
Faster than maize in May time, and strike dead  
The base infections our low greeds have bred.”

# SOME VIEWS ON ARBITRATION.



FRANK P. SARGENT, COMMISSIONER OF IMMIGRATION.

## SOME VIEWS ON ARBITRATION.

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BY FRANK P. SARGENT, COMMISSIONER OF IMMIGRATION,  
WASHINGTON, D. C.

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Nations strive for peace through the medium of arbitration when grave questions arise affecting the interests of two or more countries. The United States advocates arbitration in national or international disputes. Why not the people urge arbitration when grave questions arise affecting commerce, manufacturing or mining, and especially now when so many millions of people depend upon these varied industries for a livelihood?

### A FIRM BELIEVER IN ARBITRATION.

I am a firm believer in arbitration as a means of preserving industrial peace. In my experience of seventeen years in the labor movement, directing the affairs of an organization of locomotive firemen, we were always prepared to submit any question affecting wages, hours of service and rules and regulations governing discipline to a third party when unable to agree with our employer. It is my firm belief that the success of the Brotherhood of Locomotive Firemen in

the peaceable solution of the majority of the grievances of its members has been on account of its willingness to stand before the bar of public opinion as to its fairness in all things relating to the employment of its membership.

#### STRIKES NECESSARY SOMETIMES.

Strikes are war measures, absolutely necessary at times. They have been helpful in the past in teaching lessons calculated to enlighten and broaden the minds of both parties to the controversy, yet when it is possible to avoid them, and by peaceable means bring about an understanding of mutual advantage to all concerned, a happier condition follows than when extreme measures are resorted to.

#### ARBITRATION AS A PEACEMAKER.

From the beginning of time men have differed upon questions affecting the rights of others. It is to be expected that when questions arise between men wherein great financial interests are involved there will be times when they will not agree. When wage-earners, in large numbers, band themselves together to improve their conditions of employment, it may be understood that oftentimes demands will be made that to some may appear as unreasonable, especially to those who are unacquainted with the conditions. When employers of labor are confronted with these demands, the interests involved require most careful handling,



and very often both the employer and employe become so far apart in their views that all conciliatory means fail. When this stage is reached arbitration should begin its mission as a peacemaker.

#### OPPOSED TO COMPULSORY ARBITRATION.

I am opposed to a compulsory arbitration. Compulsion is not attuned to arbitration. Compulsion means force against will; arbitration, as I view it, is a peaceable means to the settlement of the difficulty existing between two or more persons through the medium of a third person, who has been mutually agreed upon by both parties to the controversy. This, in my opinion, is the only successful and safe way toward industrial peace.

#### THE TIME TO ARBITRATE.

We have had an extended discussion on arbitration. The press has given to the people the views of some of the foremost thinkers of our time. There is a universal demand for the peaceable settlement of wage disputes, but, may I ask, have we urged at all times arbitration at the right moment? I have noticed in nearly all of the disputes between labor and capital that when a strike has been declared and all negotiations between employer and employe are broken off, there comes the cry, "arbitrate." It has been my belief that the time to talk arbitration is when the parties to the controversy reach that point when they cannot agree, when committees representing the employes

have exhausted every possible argument in defense of their contentions before the officer representing the employer, then is when the proposition to arbitrate should be offered and urged as the best way to a settlement. At this time I can imagine that an employer would be more inclined to discuss the propriety of leaving the matter in dispute to a third person for a decision than a few days after, when his employes have quit his services and he finds his business at a standstill and he suffering great losses. When the relationship of years have not been broken off, is it not natural to suppose that the employer would see things differently and be in a better frame of mind to listen to the advice of friends than when in the midst of a bitter conflict?

ARBITRATE FIRST—STRIKE AN ABSOLUTELY LAST RESORT.

Arbitration being a peaceable measure, it should be proposed in times of peace to be most effective. I have in mind instances where war had been declared and wage-earners have engaged in a strike, when, after several days, a powerful influence has been brought to bear and a settlement effected by arbitration. But the most effective settlement, and where the greatest good has been accomplished, came when arbitration was invoked before the strike had been declared. I would strongly advise that every member of organized labor advocate arbitration whenever the usual methods of mutual conference fail, and not to wait until after a

strike is on and then give opportunity for criticism, because of the prevailing opinion that no arbitration was desired on the part of the employe. In my opinion, it is a poor policy to strike a man down and then suggest peaceable understandings. When ordering a strike let it be after all overtures for an amicable settlement have failed. Let the press, the pulpit, the wage-earners as individuals and through organization, use their influence for arbitration by mutual agreement when first it is found that the contending parties cannot come together. At this time, more than at any other, each is likely to be in a frame of mind to receive advice and to consider the value of it. Do not wait until a conflict is waging and the commerce of the country is clogged and the people made to feel the terrible effects of an industrial war. It is then we hear the cry, "nothing to arbitrate; we have no interest in the men who have left our service; they are in no sense our employes; they quit." This is what is invariably said when you bring your influence for arbitration after war has been declared.

TEACH THE CHILDREN AND THE PEOPLE CORRECT PRINCIPLES.

Arbitration and its purposes should be taught to our children in the schools, so that when they grow to manhood they will observe it in their business. Arbitration and its value as a peace measure to the nation should be the theme often preached from the pulpit,

declared upon the rostrum, and it should always find a place in the councils of labor and be promptly advocated when disagreements arise. With these powerful influences at work, those who employ labor and direct vast enterprises that affect the interest of the people will hesitate before allowing industrial war to be declared and a large number of toilers thrown into idleness. Let us try to arbitrate first, then if war must come let the responsibility rest upon the one who defies public opinion and rejects its fair judgment. The more the subject is discussed the more adherents there will be to the policy. Education on this topic is necessary among the employers and employes, as well as the general public. From the influence of such meetings as those held in Chicago, New York and at this time, when men who represent labor and capital understand the true relations which should exist and will be understood by others, we may hope for the coming of an industrial peace which will be profitable to all alike and abiding forever.

PARTIES TO A CONTROVERSY SHOULD SELECT THEIR OWN  
ARBITRATORS.

The public say "arbitrate." Let those who refuse this powerful medium be held responsible when industrial war is declared, but under all circumstances see that arbitration is suggested before the blow is struck. The most successful settlements made through arbitration have been where boards were selected for

the occasion. While national and state boards might at times be of value, I am of the opinion that the safest plan is through a board that is selected on account of its members' special fitness for the particular case then in hand. I am satisfied that better satisfaction would be obtained if the parties to the controversy selected their own arbitrators than to depend upon a standing or national board. What is required to make successful arbitration is to keep out that which appears like compulsion in any form. Where there is a mutual desire on both sides to arbitrate, then there will be no difficulty in bringing the contending forces together. I am convinced that the most successful way to apply arbitration is through boards created to meet each individual case, where the parties to the question in dispute have a voice in the selection of the arbitrators. While it may be true that national and state boards may be successful in some instances, yet I am of the opinion that the board selected by both sides to the particular controversy to be decided will accomplish more, and when a settlement is reached a better feeling will result.



# THE GOVERNMENT AS EMPLOYER.



EDWARD J. GAINOR.



## THE GOVERNMENT AS EMPLOYER.

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BY EDWARD J. GAINOR, MUNCIE, IND., MEMBER EXECUTIVE COMMITTEE, NATIONAL ASSOCIATION OF LETTER CARRIERS.

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In considering the question of the government as an employer, the desire of the speaker is merely to point some of the peculiarities of this character of employment. There is no intention on his part to cry out with Hamlet. "The times are out of joint! O cursed spite! That I was born to set them right," or to strike with the Persian poet of centuries ago this mournful note—

"Ah, love! could thou and I with Him conspire  
To grasp this sorry scheme of things entire,  
Would not we shatter it to bits—and then  
Remold it to our heart's desire?"

### SERVICE IMPROVING.

This is far removed from the mission of this article. Whatever may be said of the present "scheme of things" in government employment, it must be admitted that they are far superior to any conditions

that preceded them. The standard of efficiency and morality of employes is higher, the service is more efficient and less expensive, and the relations between chiefs and subordinates more intimate and pleasant than ever before in the history of our government's service. Desirable as this condition is, much needed progress remains to be made. Nevertheless, it must be remembered that whatever criticism of the present system is offered is for the purpose of pointing out the line that progress should follow rather than to suggest drastic reforms to be followed with feverish impetuosity.

#### TENDENCY TO ENLARGE FUNCTIONS OF GOVERNMENT.

One of the most unmistakable tendencies of the times is the growing desire of the people to enlarge the functions of the government by entering fields of activity formerly left to purely private enterprise.

In nearly all countries there is an earnest and continued agitation seeking to accomplish this end, and throughout the entire length and breadth of the United States no section of the republic is free from this phenomenon.

In our municipalities we note a universal demand for the city ownership of public utilities, and wherever the question of city ownership has been submitted to the voters for decision, in the great majority of instances it has resulted in favor of municipal ownership of the utilities in question. The same condition confronts our national government.

Agitation for government cables, for postal savings banks, and for a government telegraph system continues unabated.

The expediency of the government manufacturing her own battleships and armorplate, and the advisability of adding a parcel post system to the Postoffice Department, have been seriously discussed by Congress. Even the national ownership of the means of transportation has its defenders, and this doctrine formed a part of the declaration of principles of a party that cast over a million votes at one election.

Whether this prevalent clamor for government ownership is for good or ill is not the question. Yet the student and investigator must recognize that it is here, and if the doctrine thrives when the country is unusually prosperous, what may we expect when the nation is afflicted with a temporary business depression?

If present signs portend anything, then it may be stated as reasonably certain that an irresistible demand from the people will compel the government to broaden the sphere of her activity and year by year become a greater employer of labor. Many causes are working to this end.

It is effectively argued that nationally managed utilities give more efficient, impartial and reliable service, and as competition is destroyed and the operation systematized, the cost of use is much cheapened.

Connected with this is the knowledge that no divi-

dends will be declared as profits of this department's operation, and the satisfaction of realizing that should this branch of the government's work prove profitable, the surplus will be either turned back into the people's treasury or the cost of service cheapened.

UNSOUND REASON FOR POPULARITY OF GOVERNMENT  
OWNERSHIP.

But the greatest reason for the popularity of government ownership among the masses is found in the common belief that the government is an ideal employer of labor. Deeply rooted in the minds of the people is this conviction, and so attractive and desirable is a position with Uncle Sam as an employer considered that but few of our young men have failed to feel the effects of its fascination. No matter how difficult may be entrance into the government service, or how rigid may be the test an applicant must undergo before he is eligible for appointment, there is an ever-waiting army of highly capable and moral young men willing and able to qualify for a position with the government as an employer. This desirability of government employment would readily lead to the conclusion that in contrast with employment in civil life the government is a much fairer employer. But, is this true? In spite of the active competition for government positions, it is by no means certain that this previous conclusion is correct or will bear the test of a careful inquiry. The peculiarity of the govern-

ment service which is so misleading lies in the fact that its advantages stand out boldly and prominently. More hidden, yet none the less baneful, are its disadvantages.

#### WHAT IS MEANT BY DESIRABLE EMPLOYMENT.

In discussing the question of employment, it is well at the outset to understand what is meant by desirable employment. This term should not only contemplate short hours of labor, reasonable conditions of employment, with fair pay, but also that character of labor that will tend to develop the employe to his highest mental and physical capacity. Taking this standard of desirability as a guide, and comparing government employment with occupations in civil life, it will be readily noted that in various ways the government employe is especially favored.

#### EMPLOYEES' BENEFITS UNDER CIVIL SERVICE LAW.

The civil service law has now become a fixed institution, backed up by public sentiment. The employes who come under its beneficent provisions can rest secure in the permanency of their positions as long as their efficiency and conduct meets the standard set by the Civil Service Commission. Separation from the service, based upon nothing but the dislike of a chief of a department for his subordinate, is becoming practically unknown. A uniform law of eight hours for a day's work prevails in all branches of the

government employment. Here strikes and labor disturbances are avoided and employment is regular and salary certain. An average leave of fifteen days a year, with pay, is granted, and work is done under the best sanitary conditions. The rate of wages of the government employe, as a rule, will compare favorably with wages paid in similar occupations in civil life. It is even probable that were a private corporation in charge of government work, by lowering the present standard of ability, cheaper service could be secured.

#### DISADVANTAGES OF GOVERNMENT EMPLOYMENT.

The foregoing resume shows some of the benefits the government employe derives from his position with the government as an employer. In this respect it is undeniable that the conditions under which he labors are much superior to the ordinary conditions that obtain in employment in civil life. Nevertheless, there is another side to his employment which is not so attractive, and whose existence makes the wisdom of further extending government ownership questionable. In all lines of human endeavor in civil life observation will confirm the conclusion that the men who occupy the responsible and exalted positions sprung from most humble beginnings. Early in life they entered the particular business with which they are now connected, and by industry and application they naturally and regularly advanced to their present high

station. There is nothing surprising about the upward progress of these men. By displaying an interest and a capacity to readily accomplish the tasks assigned them the welfare of the business that gave them employment was conserved by their promotion. Examples of this character are met with on every hand, and are of the highest moral worth to the young man just taking up a vocation. By noting what industry, application and a determination to succeed have done for other men, his ambition is stimulated to emulate their example, and carve out a career for himself. As a result, his business has a more earnest devotee and the community a better citizen. Nor is this all. Our republic has grown great on the theory that humble birth should not militate against a citizen's success in life, nor statute operate against his honorable advancement. To make the greatest possible opportunities for unencumbered individual effort has been the aim of our most eminent statesmen, and whatever operated against this end was considered as inimical to the growth of the country. This cardinal principle of the republic's faith is still as strong with its citizens as ever, yet, in spite of this fact, our own government is to-day conducting a system of employment that is in direct opposition to these accepted beliefs. When a citizen desires to enter the employ of the government—we will take the letter carrier occupation as a case in point—he must undergo a rigid examination and distance a large field of

competitors before securing an appointment. After passing through an irksome period of apprenticeship the maximum salary is reached. Here his progress stops. For further advancement there is little hope. So rare have been the cases of promotion among letter carriers that the most recent report of the Civil Service Commission makes no mention of it. No matter how efficient the letter carrier may become or how generally recognized may be his aptitude for the work assigned him, it does not make his promotion a whit more probable. On the contrary, unusual ability often has the tendency to increase his burdens. When we pause to study the system on which the present method of government employment is based, the cause of this state of affairs is easily discovered. With exceedingly few exceptions, almost all appointive offices, such as heads of the different departments, postmasters, assistant postmasters and other supervisory and responsible positions are selected from the citizens in private life. This shuts out the less favored subordinate in the government employ, and for this reason prevents his advancement. But there is still another reason why the subordinate does not secure the coveted vacancy. In private business enterprises, competition in similar lines of trade makes it necessary that the best equipped man for the position be secured. Dividends must be declared. In government work this necessity does not exist, so, naturally, personal friendship outweighs manifest ability.



## SOCIALISTIC THEORY VS. EXPERIENCE.

The existence of these discouraging features of his employment forces upon the letter carrier the alarming yet truthful conclusion that would he rise in his chosen profession he must abandon it. This absence of promotion in the letter carrier's employment not only acts as a bar to his professional advancement, but is a positive injury to the proper development of his character. After the first blush of novelty wears off his position, the government employe soon learns that unusual effort or extraordinary ability meets with no material reward. He also learns that would he retain his position a certain standard of efficiency must be maintained. Consequently, his efforts are directed to keeping close to the limits of this standard, and no matter what his ability may be, to not surpass it. A pleasing socialistic theory, which the writer has tried hard to religiously believe is to the effect that the applause of friends and the desire to do a task well is as great an incentive to unusual exertion as the prospects of a more tangible reward, but personal observation has failed to confirm this theory.

## GOVERNMENT EMPLOYEES ALLOWED LITTLE FREEDOM.

If the government employe has little hope of promotion in his own particular business, there is less in other professions. Public opinion and government regulations frown on his active participation in other

callings or business enterprises without first relinquishing his position in the government employ. In this respect employes in civil life are much more happily situated. Private employers concern themselves but little about their employes' habits when not on duty. The government does, and upon the ground that the purity and dignity of the public service should be maintained, reserves the right to, in a large measure, direct the conduct of her employes when not directly employed. Numerous departmental regulations, such as those referring to the payment of debts contracted, the frequenting of saloons, and the management of entertainments for a profit, are the subject of especial rules. Offenses of employes while off duty that on the part of private employes would cause no comment, would be a subject for instant investigation were the government employes concerned. While all these various regulations are morally elevating through their observance, the question arises, is it well to guide men's conduct completely by regulation? If the progress of the world has been continually towards a larger measure of freedom for the individual, is not any unnecessary law that limits this freedom, dangerous even though the law itself is calculated to make men better citizens? Every historical instance of governmental tyranny is based upon the intent to do good.

## DISQUALIFIED FOR POLITICAL PREFERMENT.

There is one other avenue of human endeavor that offers great attractions for all ambitious Americans. Here are unusual opportunities for the young man to distinguish himself, and in no place does ability and talent lend itself so readily to the shaping of a notable career. It is the field of politics. Yet, here, too, is the government employe by departmental regulations disqualified. In this fascinating line of human activity he must not become aggressive, nor can he accept any office within the gift of the people. To be nominated for a public office would, to the employe in civil life, be a great honor, but to the government employe such a nomination would mean his instant dismissal from the service.

## GOVERNMENT EMPLOYMENT AN EFFECTIVE BLACKLIST.

Another feature of government employment, which, by comparison with occupations in civil life, shows that employe to be more advantageously situated. After the government employee has attained his maximum salary, should he then or afterwards be separated from the service, the highly technical knowledge of his business that has taken him years to acquire, is in its bread-winning utility practically valueless. If a letter carrier, no other postoffice seeks his service nor can he sell his extensive knowledge of the postal business to a private employer.

Eight years ago, after the strike of the American Railway Union, a system of blacklisting the employes who struck was inaugurated by the railroad managers. The press of the country were a unit in denouncing this action as inhuman and unjust. Yet, without malicious intent, the government conducts a system of employment that much more effectually disbars its former employes from again securing work at their previous occupation, and unconsciously reaches the same end that the railroad managers sought. To all these disadvantages in government employment can be added another feature that tends to retain an employe in the government service after he has once accepted a position and remained long enough to have reached the maximum salary. Should he then become dissatisfied with his situation in the government's employ he realizes that were he to accept a situation in civil life he must again begin at the bottom and try to work his way up, with the continual risk of an unsuccessful issue of his efforts. Is it then surprising that in the great majority of cases the government employe realizes that he would "rather bear the ills he has than fly to those he knows not of?"

#### A LIFE OF PERPETUAL HOPELESS MEDIOCRITY.

In summing up the detrimental phases of governmental employment, the worst feature of all its shortcomings lies in its tendency to bring to a dead level the ability and qualifications of its servants. It seeks

by a fair salary and a most scrutinizing test to secure the best youthful talent the country can produce, and then, by a system almost satanic in its ingenuity, condemn them to a life of perpetual hopeless mediocrity.

In this article the writer has aimed to honestly and impartially treat in its various phases the present status of government employment. With the facts here submitted before us, we are irresistibly forced to the truthful if paradoxical conclusion that as an employer the government is the very best employer and the very worst. It is best because in its character it rarely overworks its servants and surrounds them with the most modern conveniences to make their labor pleasant. Neither does it subject its employes to the vicissitudes or uncertainties of work that are a part of employment in civil life. It is worst because the highest reward it offers for unusual ability, perseverance and industry is a mere livelihood and the assurances of employment only as long as its servant is able to complete the tasks assigned him. Surely here is need for some reformation. Here is a fruitful field for the research of the statesman and philosopher. ;

#### A MORE DEADLY DISEASE THAN THE EVILS FOUND IN PRIVATE CORPORATIONS.

This resume of the peculiarities of government employment is not the passing complaint of a few active men within the ranks who feel that they are discriminated against by its provisions. The question is

much broader and far more momentous than this. No question more vitally affects the future of our country than this self-same question of government employment. Dislike it or favor it as we may, nothing is more certain than that the pendulum of public opinion is swinging towards a greater government ownership of the means of production and distribution with daily increasing force. To escape the evils that large combinations of capital are supposed to contain, the people are looking with approving eye on this new means of escape. To the great majority, taking our present scheme of governmental ownership as a criterion, the system is perfectly flawless. How pitiful will it be for them, after being delivered from all the ills that competitive industry is heir to, to find that they have adopted a system which has within it a far more deadly disease than all the evils that private corporations contain. And this disease must eventually mean the decay and degeneration of the entire system. It is well for us to then pause while this impetuous movement to increase the functions of our government is in progress, and ask ourselves, is it wise? The best friend of government ownership and of government employment is he who points out its dangers and its defects. Is the tendency of government employment to protect incompetency and leave ability unrewarded an inseparable and natural part of the system?

Is it possible for the injurious features of govern-

ment employment herein cited to be remedied and the same incentive for men to surpass each other offered as now exists in civil life? If this change cannot be effected, or if the American people have not the intention of making this change, then it were far better for our country and its citizens that our public utilities continue to remain in the hands of private corporations.





## SOME ADVANCE WORK.



JULIAN V. WRIGHT.

## SOME ADVANCE WORK.

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BY JULIAN V. WRIGHT.

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On the wall of No. 2 building of the N. C. R. factory plant there appears a motto: "We are part of all we have met," and this motto may in its broad meaning be said to express the theory governing President Patterson in the business practice which has resulted in the N. C. R. method. Among the corollaries of this idea the necessity of ceaseless education is the most important, whether that education be active or merely passive, caused in a greater part by the influence of pleasant surroundings.

### SURROUNDINGS AFFECT ACTION.

The execution of any such idea in a manufacturing business requires, if it is to be logical, that the same effort, consideration and surroundings, in so far as this last is possible, must be accorded the factory employe as is shown to the office brain worker. In other words that the same care should be used in an endeavor to make the working places well lighted, well ventilated, attractive and comfortable as is expended commonly—

one might say almost universally—in the design, equipment and care of the offices. Certainly, a well fitted office and reception room is considered a requisite by the modern man of business who thus recognizes, albeit perhaps unconsciously, the fact that surroundings affect action. Of mental action this is more or less generally acknowledged and that it is true of physical action as well is one of the cardinal propositions upon which has been based the whole practice of the N. C. R. Company by its founder and president, Mr. John H. Patterson.

#### AN EXAMPLE CANNOT BE LOCALIZED.

Nor has there been any disposition to restrict the operation of this theory to the space inside the boundary of the factory plant. One cannot localize the effect of an example, and the only logical way in which a plan may be permitted to demonstrate its value is to open its workings beyond those immediately affected so that it may be left to work out its own development. It was in this broad and far seeing way that what is called the advance work at the N. C. R. factory was first planned and begun. It was a practical movement looking to the betterment of the working conditions often prevalent in manufacturing plants and justified with the belief that the time, thought and money expended would be proven repaid by the improvement in the

general morale of the working force and ultimately by the better quality of the work produced.

#### UNFAVORABLE SURROUNDINGS.

It is probably not generally known that originally that part of Dayton in which the plant of the N. C. R. now stands was preeminently the one section of the city in which that development of city life known as "Hoodlum gangs" was most apparent. It was, in fact, the halting place of the local ne'er-do-wells who were being driven before the advancing town growth in its gradual absorption of the near lying farm lands. It lay some distance from the center of the city, was illy provided with any means of transportation and bore the expressive name of Slidertown. Passage through its badly lighted streets after nightfall was considered unsafe and was often proven so by the experience of those who had the temerity to make the attempt. When the factory was first moved from cramped quarters in the heart of the city to the new building which had been erected for it, great difficulty was experienced in obtaining competent workmen on account of their unwillingness to enter this section of the town. Windows in the building were nightly broken by stones thrown in pure wantonness, and the hope entertained that employes attracted by low rents and cheap building lots might come to live near the factory seemed almost impossible of realization. It was a standard comment among the men that they should like to come

to the neighborhood, but that they were unwilling to expose their own children to the constant association with such companions as were to be found in that locality.

#### INTERESTING THE BOYS—BOYS' GARDENS.

Thus was raised the question as to what could possibly be devised which would interest the boys of the neighborhood and occupy their out of school time, particularly during the long summer days. The known tendency of boys to aggregate themselves into "crowds" led to the thought of gardens where they could find their friends and spend some part at least of each day in useful work, during the duration of which some beneficial and restraining influence could be exerted over them. In this way first came to be instituted the N. C. R. boys' gardens. They consist of about 6 acres of land, laid off into plats each 10 feet wide and 172 feet long, separated from each other by paths. Originally there were only 40 in number, but the demand for the gardens increased so rapidly that the original allocation of land was enlarged until space was obtained for 74 gardens. Plots are allotted to the boys of the neighborhood between ages of 8 and 15 who apply therefor in the spring, no discrimination being made in favor of boys having relations employed by the N. C. R. Company. Ordinarily, there are more applications than plots, and a rule has therefore been made that the applications of boys having had a garden

for two years will only be considered after all other applications have been filled. The gardens are provided with water piping, and a head gardener is employed by the company who oversees the boys and gives them such help and instructions as may be necessary. Forfeiture of gardens is only imposed in the case of continued failure and neglect to attend properly to them. The same selection of seeds is furnished to all, this being arranged for progressive crops on some of the subdivisions of the individual plots. It should of course be understood that there is no charge whatever made against the boys; that everything, even tools, are supplied free. Each boy is entitled to whatever grows on his plot to dispose of in any manner he sees fit. At the end of the year six prizes are given at a dinner which is extended to all the boys by the Officers' Club of the N. C. R. The effect of the establishment of these gardens was almost immediate, the tendency being evinced in many cases by inquiries from the heads of families of which the boys were members as to whether or not plants and seeds could not be obtained for planting in the home lots.

This tendency was at once encouraged not only by a free distribution of the garden supplies asked for, but by the establishment of a series of prizes for the best kept and most attractively cared for house yards, etc. The strength of this movement is made apparent by the case of a conspicuous sloven who was seen cleaning up and seeding his back yard one day, and who in an-

swer to the inquiry as to whether or not he was going in for the prize replied: "Not much I ain't, but I don't propose to have John Patterson take a picture of my house and go round showing it to people as the dirtiest place in South Park."

#### OTHER IMPROVEMENTS INDUCED.

A more encouraging and noteworthy example of the effect set by this general movement is afforded by the action of the Montgomery County Fair Association in ordering the destruction of the old board fence surrounding the fair grounds and forming part of the wagon sheds which bordered directly upon the street, the ordinary decoration of which when it had any was an ancient coat of whitewash ornamented by torn and fluttering advertising bills. This fence bordered on the grounds of the factory and has been now long since replaced by one of woven iron covered with flowering vines, thus creating a most enjoyable color scheme in the place of the old and time-honored eyesore.

#### TAXABLE VALUE OF ATTRACTIVE SURROUNDINGS.

While this development has been going on around the factory grounds, the same general plan was adopted for the outside of the factory buildings. Around these was established a bed of bushes and flowering plants, while the vacant open spaces were carefully sodded and converted into a series of open green lawns; surely a more agreeable outlook during a day's work than is a view disclosing piles of empty tin cans and dumps of



unassorted refuse. As evidencing the beneficial effect of this broad plan of neighborhood improvement, it may be stated that the tax books of the city of Dayton show an average increase in the value of real estate of 400 per cent in this section during the last eight years which have elapsed since the work was begun.

#### GOOD LIGHT AND GOOD AIR.

The plan which has been carried out in the construction of the factory buildings is that of a pure steel frame with brick walls; this necessitates the minimum quantity of blank wall space and affords the maximum of open window space. The window frames are carried down to the floors, leaving no dark corners for the collection of dirt and refuse in unlighted out of the way places. Paint covered windows are absolutely barred and iron screens are only adopted in places where the location exposes basement lights to accidental breakage. Naturally this construction conduces to great coolness and comfort during the summer, as one-third of its total window space can be thrown open by raising the sash. There are no rules enforcing closed windows, etc. Ventilating systems are installed throughout the factory for use during weather necessitating the closing of the window sashes, the systems being proportioned to insure the complete change of the air in every room each ten minutes. In addition to this wherever the work carried on is such as to produce dust, suction draft is employed to insure the clean-

liness of the atmosphere, the collectors being located in such a way with respect to the machines producing dust that it is collected immediately upon its production and deposited in the dust house. In the polishing room, for example, the polishing wheels are enclosed so far as possible in draft boxes attached to the suction system.

#### LAVATORY ACCOMMODATIONS.

Lavatory accommodations connecting with the work rooms are provided for in two independent wings extending from the side of each building and of the same height. In this way two separate large lavatories open off from each floor. The ample space afforded prevents crowding and loss of employes' time after quitting work. These lavatories are independent from the bath rooms provided, and for the use of which there is a weekly allowance of twenty minutes in winter and forty minutes in summer of company time to each employe. For women this bathing time is independent of the other allowances made to them exclusively and which will be taken up later.

#### WORKING TIME AND BASIS OF PAY.

For the men hours of work are from 7 a. m. to 12 m. and from 1 to 5:30 p. m., the afternoon period ending Saturday at 4:30 p. m.—a total of 56 hours per week. In the case of the women a gradual reduction of the working time has been made until the week's work

now consists of about 44 hours actual, their time beginning an hour later in the morning than the balance of the factory and closing ten minutes sooner. This arrangement is made that there be no lack of seat accommodation in the extra street cars, which under an agreement with the railroad company are provided for them. In addition to the allowances mentioned there are two daily rest periods of ten minutes each, at 10 and at 3 o'clock, and a Saturday half holiday. It should be remembered that the daily pay for both men and women has not been reduced from the basis of 60 hours per week.

#### PHYSICAL AND MORAL HEALTH SAFEGUARDED.

All persons who apply for employment and appear competent are accepted only after a rigid investigation of references showing them to be of a desirable character, and their physical good health has been certified to by a physician after examination. The last is held as necessary to safeguard the general health of the factory, as is the rigid rule excluding any immoral person from employment deemed imperative in order that a high standard of moral tone may be insured. This condition has never been in doubt, and aided by the qualification insisted on since 1895 that all women employees must be high school graduates, has resulted in a great raising of the mental standard as well as obtaining for the company a much higher class of women employees than it is believed will be found in almost any other manufacturing plant in the country.

PHYSICAL EXERCISE—WARM LUNCHEONS—DECREASE IN  
LOSS OF TIME.

Calisthenic exercises—which are optional during the rest periods—are very generally engaged in after methods imparted by well-known instructors, whose charges for the instruction have been defrayed in greater part by the company. These and the stress laid upon the following of the simpler rules of hygiene, such as pinning up the skirts from contact with the floor to avoid the production of dust, has resulted in a great decrease in time lost by illness. This reduction was also undoubtedly increased by the establishment in 1895 of the Women's Dining Room where a warm lunch is served daily, the charge being five cents. Also during this year was begun the furnishing to each woman of two clean aprons and oversleeves each week, while instead of stools, chairs with backs and foot rests were provided. Prior to the establishment of these conditions the records for the year 1895 show the loss of time to women employes through illness to have been 18 per cent, while the 1901 records show this loss to have been less than 2 per cent. Near the Women's Dining Room is situated the Women's Rest Room, to which they are privileged to go at any time in case of sickness or weariness, and where a matron is constantly in attendance to render any desired assistance or care.

## OFFICERS' CLUB.

For the officers and heads of departments there has been established the Officers' Club to which are eligible for membership, on approval by the Board of Directors, all heads of departments and their assistants. Lunch is served daily at noon time and there are thus brought together the chiefs of the different departments whose duties do not ordinarily bring them in contact with one another and who would come to lack the finer feelings of common interest and mutual helpfulness which is so unquestionably fostered by the daily meetings at the club.

## MEANS FOR MENTAL IMPROVEMENT—A SOUND BUSINESS INVESTMENT.

It has not been believed, however, that the physical necessities and needs are the only thing to be considered. It is even more vital that the fullest opportunity and incentive be given to all employes for their mental improvement. And as has been said before, it is an essential part of the N. C. R. belief that such an effort is more than repaid, apart even from any philanthropic or benevolent motives, by the added intelligence with which the problems of the work are considered and the completion of the finished product facilitated.

As tending to this end a library was early established. It is open daily from 12 m. to 1:30 p. m. as a reading room, and from it books may be borrowed

and taken home for a careful perusal. The regular publication twice a month of the N. C. R. magazine, as well as the issuance of special bulletins, etc., from time to time, are among the other means adopted.

There has also been tried a School of Mechanics, a Debating Club, etc. After all of which the most satisfactory plan has been found to be that of the stereopticon lecture method. It produces the greatest results by apparently creating more interest and attracting larger numbers. Recently a Letter Writing School has been opened for all employes who have in any way to do with correspondence and is proving to be very highly appreciated.

#### OFFICERS' SCHOOL—STUDYING SUGGESTIONS AND BUSINESS METHODS.

The Officers' School meets once a week for an hour's session. It consists of the factory foremen and assistants, who are thus enabled to discuss factory methods and later on through personal contact to give to the employes much valuable information and aid in their work, the result of the combined opinion of all. Every possible opening is extended to all to get an expression of their thoughts and suggestions on work or business methods, not only in their own particular line, but also in such matters as may come under their notice in any way. This plan was begun after a chance conversation had by Mr. Patterson with a new employe of the company who had formerly worked for

him in another business, and who in reply to a remark that he would be promoted if he made suggestions said : "You would never hear of it, it would be smothered long before it reached you, or some one else would get the credit."

#### PRIZES FOR BEST SUGGESTIONS.

As the development of Mr. Patterson's original plan is now carried out, there are placed in each department as well as in various parts of the building, autographic registers upon which suggestions are to be written. The registers manifold by means of carbon paper ; one copy remaining in the register while two are torn off, one for the transmission to the Factory Committee, who awards the prizes, and one for retention by the author. The copy remaining in the machine is used for check identification purposes. Fifty prizes are given each half year for the best suggestions, these covering the factory and as well the conduct of the business. Of the number of suggestions received ordinarily about 20 per cent are such as can be adopted or utilized in some way or another. The suggestions reached a maximum of about 4,000 in 1897, since which time they have been decreasing in number. This is considered to be in the main due to the past watchfulness shown for improved points and the correspondingly increasing difficulty to find points permitting improvement. Certainly the suggestions lately gone over in August show a considerably greater evidence of close thought

than those of preceding periods. The two principles of suggestions and consultation are also carried through in every department of the business.

#### EXECUTIVE ORGANIZATION.

The resulting organization is believed to be unique in its general plan; briefly stated, its structure is best graphically represented by a pyramid resting on numerous supporting sub-pyramids.

The capstone of the organization pyramid is formed by the president and the first and second vice-presidents, all of whom are a part of and form with the Board of Directors the active executive power of the organization. The board has regular meetings each week and others are subject to call at any time. As of auxiliary assistance, there is a second board known as the Advisory Board whose functions will be taken up later. Subordinate to and supporting this head pyramid the whole forces of the business are divided into three distinct sub-pyramids, the head of each of which is a member of the Board of Directors and is assisted in his work by a number of committees. This committee plan was adopted as offering a distinct educational value and being at the same time the most practical way of obtaining a full and free discussion of business problems, in which those who are to carry out the policies are aided to decisions by the co-operation of those indirectly concerned.



## FACTORY COMMITTEE.

The management of the making pyramid is entrusted to what is called the Factory Committee. This consists of seven members, the chairman, who has the general supervision of the whole factory and is the manager of the making division, the secretary who is the assistant to the chairman and five factory supervisors under whom are all the factory departments and over a number of which each has personal control. This committee meets three times each week and owing to the duties of its members is able to come into direct personal touch with the foremen, any one of whom is always called in for consultation on matters connected with his department.

Supplementing and subsidiary to the Factory Committee are five other committees each in charge of some special details of the factory work, the results of whose deliberations are sent up for final decision to the Factory Committee whose members are ex-officio members of the other committees. This same committee system is carried through in the other two divisions of the whole business organization. Over all is as stated the Board of Directors; for it is reserved the necessarily private matters of salaries, promotions, etc.

## ADVISORY BOARD.

In the general matter of policy and management the board is supplemented by the Advisory Board referred to, consisting of eighteen heads and assistant heads of

the more important departments, whose duty it is to advise, as is indicated by the name of the board, and to aid by their more intimate knowledge of department details the Board of Directors in its decisions. An additional advantage of this board it is believed is that those serving as members are rapidly trained to take a much broader view of the business than when they are confined strictly to the particular work in which they are engaged. Matters which in the great majority of organizations of the same size would be reserved for the most private and confidential consideration are freely discussed before the Advisory Board, and the result must be conceded to be a vindication of the policy if business growth is any criterion of business methods. Apart from this, however, there is created a number of men who are in case of need competent and perfectly trained for the work of undertaking the duties of any position in the organization. In fact there is always a maintained effort to insure that for every position of importance some one is at hand ready to take over the whole responsibility at a moment's notice.

TO OVERCOME NARROWING INFLUENCES OF SPECIALIZATION—EDUCATION THE WATCHWORD.

And there exists still a final and greater reason for the educational work which is going on throughout the whole organization. This is that the present age is one of specialization carried to its uttermost limits, a movement brought about by the commercial develop-

ment. This specialization has the effect of narrowing and unfitting men for the more important executive positions so that the necessary broadness of information can only be insured by the most liberal training proceeding concurrently with regularly appointed work.

These few details will make it clear that education is the watchword of the whole system and the aim of every movement; that it is in a word the lever upon which the company depends for success and the individual employe for promotion. Towards the constant acquirement of information and its application to the individual's work, there is no other influence so constantly exerted as is that of the company.

#### TOTAL COST OF UNUSUAL THINGS—TEACHINGS OF EXPERIENCE.

The cost to the company of the "unusual things," from the average business standpoint, which it does average about  $2\frac{1}{2}$  per cent of the total payroll. This amount the company continues to expend on the work because it believes it not only to be right, but also because it is believed that it pays and that benefits will continue to accrue in the future. Some of the experiments which have been started by the company have demonstrated themselves to be incapable of permanent good or even of interest to those to whose benefit it was hoped they would inure, therefore they have been abandoned; on the other hand many are

established institutions whose presence is hardly a fact worthy of comment, so familiar have they become. Nor must it be assumed that this work is not greatly appreciated and eagerly accepted by the vast majority of those to whom it is open. It has been proven moreover to Mr. Patterson and to those who have been privileged to observe with him the progress of events, that it returns its own reward constantly in the current operation of the factory and its allied departments.

#### BUSINESS, NOT BENEVOLENCE.

It is regrettably true that any such movement as has been briefly put before you is regarded with mixed feelings or even suspicion by some of those whom it was hoped to aid. A vital point in the successful conduct of such a plan is that it must be conducted on a self-help basis and not as a benevolent or philanthropic measure.

It must stand on its own feet, on the basis of a quid pro quo. If a meal is provided it should be, not at a ridiculously low, but at an equitable price, or else in recognition of special conditions such as overtime or night work. Any other basis detracts from the effectiveness in that it does not allow for the perfectly justifiable pride taken in the rendering of an equivalent, and offends the self-respect of many. It has been in many ways unfortunate that the N. C. R. method has become known as a benevolent movement. This concep-

tion has always been earnestly combated by President Patterson.

BASIS FOR INDUSTRIAL PEACE—MUTUAL RESPECT AND  
CONFIDENCE.

It is not claimed or expected that such efforts as these are alone to finally solve the vexed question of industrial relations. It is believed, however, that this solution will approach the nearer to accomplishment with the mutual realization of the essential dependence existing between the two factors of the problem. Farther it is hoped that the friendly relations undoubtedly fostered by the N. C. R. method will create and maintain a feeling of confidence between the two mutual workers, the employe and the employer, since on a belief in the integrity of each other's purposes depends the industrial peace and therefore the prosperity of the nation.



RELATION OF THE PUBLIC TO CAPITAL  
AND LABOR.



CHARLES ZUEBLIN, UNIVERSITY OF CHICAGO.



## RELATION OF THE PUBLIC TO CAPITAL AND LABOR.

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BY CHARLES ZUEBLIN, ASSISTANT PROFESSOR OF SOCIOLOGY,  
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The public is concerned in the welfare of both capital and labor. It is to the general advantage that both the capitalist and laborer should receive such rewards as would lead to industrial efficiency. The public cannot concern itself with the individual capitalist, nor with the individual laborer. The financial failure of the former, or the industrial failure of the latter may be burdensome to society, but it cannot risk the protection of either lest it thereby promote industrial inefficiency. Thus, it is to the interest of society to eliminate speculative positions and sinecures. While it must give such encouragement to capital as to lead to experimentation in new industrial methods and in the seeking of new markets, and while it must protect the worker from excessive labor or anxiety, it must also protect itself and them by limiting rewards to legitimate service and insisting upon the fulfilment of industrial obligations. The public is interested in industry because,

- (1) Consumption is the root of all production;
- (2) The captain of industry is indirectly the agent of society;
- (3) The workingman's standard of living determines the character of our civilization;
- (4) The public may be compelled to assume certain industries for the proper satisfaction of human wants.

#### CONSUMERS KEEP WHEELS OF INDUSTRY MOVING.

I. *Consumption is the root of all production.* All industry exists for the satisfaction of human wants. Consumption is unquestionably fostered by successful methods of advertising, as well as by the faithful performance of service or the successful production of commodities; but the wheels of industry would be silenced were it not for the consumer. The thrift of the shrewd and conservative business man would have no investing value were it not for the expenditures of others. The welfare of society demands that the majority should spend the bulk of their incomes, in spite of the precarious situation in which such expenditures places most of them. The contrast between the part played by consumption in the speculative industry of to-day and in such well regulated organizations as the co-operative societies of Great Britain, only confirms the significance of consumption. The amount of consumption is speculative in the one case, and scientifically ascertained in the other; but none the less it is the

secret of production. As capital and labor are dependent upon the public for their rewards, the public has ultimately the right to control the conditions under which these rewards may be sought. No private franchise is so binding that society cannot revoke it in order to have its needs satisfied; no trade is vested in the hands of a group of workers with such security that society cannot demand a change of conditions or a new set of workers. The special privileges enjoyed by capital and labor to-day are acquiesced in by society because, in the long run, they do not violate its standards of consumption.

INDUSTRIAL CONDITIONS MUST SERVE THE GENERAL  
WELFARE.

2. *The captain of industry is indirectly the agent of society.* Special privileges, vested interests, divine rights, are the result of arrogant assumption on the part of those in power, in the face of the ignorant and ineffectual protests of the majority. The right of private property, the privileges enjoyed by corporations, the protection offered to business interests, are all the product of society's endeavoring to concede to individuals such industrial methods as will conduce to the general good. The abuses connected with private property and land are the result of centuries of tradition, in which it has been believed that this time-honored method promoted individual character and industrial efficiency. There is nothing sacred in the person of a landed pro-

prietor, except as a steward of society. The boatmen of the Thames made unavailing protests against the introduction of coaches in the streets of London; their vested interest was superseded by the interests of the people. The workers in the textile industries in Great Britain protested violently against the introduction of machinery. In the same way the little shop-keeper has tried to have legislation passed against the department stores. The believer in the divine functions of competition has secured legislation against the trusts. Railway magnates block the way of water transportation. The leader of the anthracite operators proclaims himself the chosen of God. These are the King Canutes or Dr. Dowies of their times. The sea does not stand still; the law courts lay a heavy hand upon the self-appointed representative of the Deity. The privileges enjoyed by the captain of industry or the capitalist are conferred upon him by the organized representatives of society, in the belief that the industrial traditions of the past still warrant the service of society by private industry; but the individual capitalist or employer has no claim upon society beyond the rights granted to him by the state. Lord Penrhyn asserted for two years his right to prevent the operation of his privately owned quarries, until the public opinion of Great Britain triumphed over the opinion that a man can do what he will with his own. The impudence of the blasphemous and inefficient representative of the anthracite coal interests would receive equally effective rebuke were it

not that the great natural resources of America and the tradition that there is always enough and a superabundance for all prevented a proper appreciation of the effect of the attitude of the anarchists who have been granted by society the privilege of owning the anthracite coal beds. The right of eminent domain, the necessities or convenience of the public will ultimately confirm what is already embodied in the Constitution and the Statute book,—that the captain of industry is indirectly the agent of society.

#### STANDARD OF LIVING SET BY CONCERTED ACTION.

3. *The workingman's standard of living determines the character of our civilization.* In addition to the instinctive standard there is, as has been said, the standard set by concerted action. The engineers throughout Great Britain would without hesitation decline to accept fifteen shillings a week, but there might be much doubt in different sections and at different times as to twenty-seven or twenty-nine shillings representing a just demand. The instinctive standard is inadequate, because without combined action workmen may be compelled to accept the standard set by the least exacting individual among them. The gradual advance enjoyed by most members of society as progress is made is quite unlike the advantage gained by individuals in the case of sudden prosperity, an advance which will be shared by the majority only when they are strong enough to insist on it. In spite of prosper-

ity the instinctive standard will guide the employes unless organized labor exacts better terms. Yet it will be impossible to get far beyond the instinctive standard if the majority of workers are unorganized, unless an appeal is made to the state to establish a national minimum. Here we find industrial democracy, guided by the experience of some organized workers and following the analogy of legislation in restraint of trade in other directions (notably the Factory Acts), suggesting that the general experience of the efficient workers demands that a standard be set for the inefficient or ineffectively organized, as a means of national defense. In the words of Mr. and Mrs. Webb:

THE STATE IS PARTNER IN EVERY ENTERPRISE.

“When any group of consumers desire something which is regarded as inimical to the public well-being—for instance, poisons, explosives, indecent literature, or facilities for sexual immorality or gambling—the community prohibits or regulates the satisfaction of these desires. When the directors of industry attempt to use a material or a process which is regarded as injurious—for instance food product so adulterated as to be detrimental to health, ingredients poisonous to the users, or processes polluting the rivers or the atmosphere—their action is restrained by public health acts. And when the workers concerned, whether through ignorance, indifference or strategic weakness, consent to

work under conditions which impair their physique, injure their intellect or degrade their character, the community has, for its own sake, to enforce a national minimum of education, sanitation, leisure and wages. We see, therefore, that industrial administration is, in the democratic state, a more complicated matter than is naively imagined by the old-fashioned capitalist, demanding the "right to manage his own business in his own way." . . . In each of its three divisions, the interests and will of one or other section is the dominant factor. But no section wields uncontrolled sway, even in its own sphere. The state is a partner in every enterprise. In the interests of the community as a whole, no one of the interminable series of decisions can be allowed to run counter to the consensus of expert opinion representing the consumers on one hand, the producers on the other, and the nation that is paramount over both."

#### THE WELFARE OF THE STATE RESTS ON GOOD CITIZENSHIP.

The interest of the public in the workingman is not confined to his economic condition. The welfare of the state rests upon good citizenship. If the industrial conditions do not seem to warrant adequate leisure, recreation, good homes, education,—society in self-defense must provide these higher conditions.

"It is right and necessary that all men should have work to do; work worth doing, work of itself pleasant

to do, work done under such conditions that it is neither overwearisome nor overanxious. In a well ordered state of society every man willing to work would be insured an honorable and fitting occupation, healthy and beautiful house, full leisure for rest of mind and body." (William Morris, *Art and Socialism*.)

#### THE COMMUNITY'S LAW OF LIFE.

4. *The public may be compelled to assume certain industries for the proper satisfaction of human wants.* Public control provides for the coming generation and thus fulfills the community's law of life. The superior experience and more immediate interests of private capital make for energy and sometimes for efficiency, but there is no permanence. One of the most serious difficulties involved in the private performance of services which are essential to public welfare is the fact that the individuals in control, however honest they may be, have no inducement to make preparation for the needs of the coming generation. Thus the community is frequently saddled with burdens which remain a tax upon the resources of a generation in no way responsible for these actions. Franchises which extend beyond one generation are utterly indefensible. There is an abundant experience to prove that the life of one generation is long enough to provide adequate remuneration for such investments, and the numerous injustices worked by any greater extension of such franchises furnish sufficient evidence in favor of short franchises



and subsequent public ownership. The municipality possesses immortality as no individuals or corporations can, and its interests, even more than those of a family, must be anticipated, so that the coming generation may not be sacrificed for the present.

#### MAKING THE WORLD A COMFORTABLE PLACE OF RESIDENCE.

Public ownership sustains and raises the standard of living of the workers. Where the municipality controls an enterprise there is a maintenance of trade union standards of wages and hours, and sometimes even an improvement on these. The public is more solicitous with regard to its employes than many private employers, and at the same time has the power of establishing standards which excessive competition denies to private employers.

More important possibly than the standard of living of the employes of the city is the continual provision for the higher life of the citizen, made possible by the extension of public functions. As there is a multiplication of public schools, libraries, museums, parks, playgrounds, public baths, improved supplies of water and light, better transportation and other public facilities, the life of the community is enriched. Permanent public improvements are effected, and each succeeding generation must profit by the heritage which it thus receives. Professor Smart has said:

"The progress of human society chiefly takes the

form of making the world a more comfortable place for man to live in, and such improvements pass away out of the range of valuation. They become brighter, healthier *conditions* of our life. In other words much of our parent wealth exists in the form of a background of the community's life. The true line of progress is that this background should be common property ; that the community should continually be adding, as it were, to the free gifts of nature, changes of physical environment that make the house of life into the home of man."

# GROWTH OF ORGANIZED INDUSTRY.



T. V. POWDERLY, FORMER MASTER WORKMAN, KNIGHTS  
OF LABOR.

## GROWTH OF ORGANIZED INDUSTRY.

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BY T. V. POWDERLY, FORMER MASTER WORKMAN,  
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The promoters of the movement toward bringing employer and employed within speaking distance of each other, for the purpose of scanning the various branches of their family trees, to ascertain how closely they are related by blood or marriage very prudently say that they "have no cure-all to advocate, no propaganda to spread." In this they show wisdom, for it has not yet been written that men whose interests conflict shall at all times act in harmony in deciding who shall have the right of way. Hundreds of volumes, devoted to a settlement of the differences existing between capital and labor, have been issued within the last few years. The subject-matter of each volume differed from that of its neighbor, but the titles were more in harmony. They suggested: "A Solution of the Labor Question," "The Labor Question Solved," "The Irrepressible Conflict Decided," etc. Under

these and similar titles the authors presented what they believed to be panaceas for every ill and ache that gave pain to that great industrial body made up of employers and employed. Notwithstanding the frequency with which the labor question—so-called—has been solved, it appears to be still unsettled. Strikes, lock-outs, boycotts, blacklists and contentions of varied shades and degrees of difference and bitterness appear on the surface as of old. That period when the "lion and lamb shall lie down together" is not, from present indications, close at hand, and it is just as well not to close our eyes to that fact.

#### THE WORLD OF PRODUCTION REVOLUTIONIZED.

It is not the aim of this paper to point the way to a settlement of the differences which exist between the employer and the employed; it is doubtful if any man can do so. I will go further and say that though one be endowed with God-like attributes, though he be aided by divine inspiration in evolving and presenting a plan, for the settlement of industrial controversies, so perfect as to commend it to the judgment of every reasoning being, it would fail to receive the approval of a majority of mankind owing to its jealousies, prejudices and interests. I can only present a few thoughts on the relations existing between those who provide the means and effort employed in production, realizing that the limitations which surround me preclude the possibility of a full or exhaustive discussion,

even though my abilities were equal to the task. The agitation in the field of industry which attracted the attention of the thoughtful and studious is due, principally, to the revolution which wrested the tool from the hands of the workman and set it in motion to the music of whirring belts and revolving pulleys, propelled by steam or an electric power, the ways of which are as yet past finding out. The substitution of wealth and labor-saving machinery for hand labor has completely revolutionized the whole world of production, and he who, in discussing the industrial problem, fails to take note of that fact had better remain silent. Improved methods create wealth more rapidly and in greater abundance than ever before. It is not only possible to make two blades of grass grow where one grew before, but machinery capable of cutting, gathering and transporting fifty blades of grass where but one was heretofore attended to is already here awaiting the ripening of the grain and we have ceased to wonder at its coming. Indeed, it is because we have grown so accustomed to its presence that we often fail to attribute disturbance in the field of industry to its proper cause. Not only does machinery take care of the grain at seed time and harvest, but it makes a hundred articles of use and value where one was made before. It turns out all articles used by mankind so fast and in such quantities that one wonders where the consumers are to come from. In the olden time, when one blade of grass grew where two or more

grow without crowding now, when the isolated shoemaker turned out his solitary pair of shoes, when the blacksmith worked independent of a boss, every workman, certainly every mechanic, hoped sooner or later to own a workshop of his own. The wealth employed then, as working capital, was largely the property of the workers of different callings who conducted business on their own account, in their own workshops, and, with their own tools they fashioned materials, also their own, into finished product. They did not hesitate then to invest the profit of their labor in shops, tools, materials and agencies for the transportation of the finished article to market. They were the owners, in whole or part, of all of these and exercised care, caution and vigilance in pursuing their separate vocations. They worked with greater energy, they put more heart and soul into their work than they do today, for they were creating wealth to which they could lay claim; they worked hard, but had a substantial interest in what they fashioned. Corporations were either unknown or in their infancy. Human slavery existed in a portion of the United States, and if a free workman felt disposed to complain of his lot he was soothed to contentment by contrasting it with that of the bondman of the South. With the abolition of human bondage the light previously focused upon the institution of slavery turned in other directions and the corporation, then becoming a fixed institution, attracted a great deal of attention. As the light did not pene-



trate everywhere much appeared dark and mysterious in connection with the corporation. Population increased and with it the demand for the product of labor. Increased demand stimulated enterprise and caused men to seek the best means of supplying the demand. The business man, or manufacturer, of the olden day made things for himself and family; sometimes he exchanged articles of his own make for others made by his neighbor. His work was all done in and by his own family. This order of things could not last. The individual could not continue to supply all de-

#### FORMATION OF PARTNERSHIPS AND CORPORATIONS.

mands. The business partnership was formed and was attacked and denounced as being opposed to the best interest of the people of that day. Out of the partnership, as a matter of necessity, grew the corporation, with enlarged powers and greater facilities for supplying demands. When corporations were organized and began to attract attention they were regarded with distrust; they were denounced as schemes to plunder the people and crush individual enterprise. Even conservative men of that time were doubtful as to the wisdom of permitting the corporation to live and thrive. The partnership and the corporation were made necessary by growth of population, closer contact between members of the human family and the growing wants and desires of mankind. The individual, through his own unaided effort, could not sup-

ply the demand and he entered into co-partnership with his neighbor. Production through the aid of machinery, more expensive at first than by hand, called for the exercise of more capital than the individual or even the partnership could provide, and corporation naturally followed on the heels of partnership. Some, jealous of infringement on the rights and privileges of the individual by the corporation, others ignorant of the necessity which called it into being, and others still who saw in the growth of the corporation an opportunity to popularize themselves with the masses by playing the demagogue, opposed and denounced the corporation as wicked, subversive of the rights of the people and a menace to their liberties. Patriotism joined hands with ignorance and selfishness in opposing an institution which was made necessary by the changed process of production, an increasing population and a corresponding increase in demand for something better than existed before. To-day we have

#### COMBINATIONS OF BUSINESS CONCERNS.

the combination of business concerns known as the trust, which is no more or less than a partnership of corporations; and the end is not yet, for enterprise will not be checked and progress must go forward instead of backward. The combination of corporations, or trusts, has existed for years and has received the sanction and approval of the people. Take our railroads as an illustration: Once the passenger was

obliged to change cars at the terminus of every line. The cars of one road were not permitted to run over the tracks of another. The gauge of the various railroads differed in width, from three all the way to six feet. Railroads entering a town had separate depots in order to give the stage and hack driver an opportunity to "jolt your bones over the stones" from one station to another. That old system has been completely revolutionized. To-day all railroad lines in the country are of the same gauge; the cars are nearly all modeled on the same plan; the passenger may take his seat or berth in a car on the Atlantic seaboard and remain therein to his destination, though it be across the continent. Freight is not shipped as heretofore, but continues on from consignor to consignee without change of cars, though a dozen lines of railroad be crossed in the journey. A union station in a large city may be the terminus for a dozen or more lines of railway. Travelers may purchase tickets over all lines from one agent without let or hindrance. Attendants in uniform, civil and courteous, answer all questions and give directions to all incoming and outgoing passengers. The public is the gainer by all of this for the dangers, discomforts and uncertainties of railroad travel have been reduced to the minimum, while the wear and tear on the individual, his clothing and his pocketbook have been greatly reduced. No one would go back to the old system, and yet this is the result of a combination, or partnership, of corporations. In the

## CORPORATIONS OF WORKINGMEN.

management of corporations workingmen have taken no interest or part other than to perform a certain service under certain conditions and for a stipulated wage. How the corporation was managed, who its stockholders or directors were, or whether it paid a dividend on capital invested was seldom the subject of inquiry among its employes. The corporation was an organization by itself, its officers, directors and stockholders gave little heed or thought to the labor question—so-called—as understood by the employes. The employer did not consider it necessary to be informed as to the desires, wants, ambitions or purposes of his employes. The employes, on the other hand, formed a corporation of their own for mutual protection. They gave consideration to the regulation of the hours of labor, rates of wages, apprenticeship and such other conditions as affected them in their daily labor. The industrial problem from first to last has been regarded as a one-sided question by employer and employed, each one as though there was but one side to it and that his was that side. This “one-sided” view of the situation has given rise to the strained conditions which exist between forces of production that should act in harmony in order to obtain the best results. How much the opposition to corporations in the beginning is responsible for this condition of affairs I do not pretend to know, but that it influenced workingmen to

look with distrust and suspicion on the corporation is largely true. This distrust and suspicion has caused them to stand at a distance from their employers, or, to be more accurate, from the concerns their employers represent. I believe that in the main our corporations are fairly well managed, that their affairs are economically administered; but only those who are on the "inside" can determine the policy of the concern. Right

WORKMEN SHOULD INVEST IN THE STOCK OF THE CORPORATION FOR WHICH THEY WORK.

here I deem it proper to say that I have for years entertained the opinion that workingmen should invest as much of the profit of their labor in the stocks of the corporation they work for as they can afford. In doing this they attain a double end—by adding to their income and securing steady employment. The man who has no more interest in the coal or earth he lifts upon his shovel than the shovel itself has cannot be expected to take a deep interest in the success or welfare of the corporation employing him; but let him invest his money, be it much or little, in the concern, let him become a part of it and he then realizes that a portion of every shovelful of earth, coal or other material produced by his labor is his and it will then be to his interest to not only produce the best results but to prevent cessation of operations through misunderstandings. To have a voice in directing the affairs of the corporation; to have a representative among the

directors would insure confidence, and the organizations of labor and capital would then find it to their interest to co-operate in finding and keeping a market for their joint product, for they would then be bound by ties of self-interest. Say what we will, selfishness lies very near the base of every human effort to produce results, and if a workingman secures an interest in the concern he works for he will put forth extra effort to advance the interests of his company and thereby add to his own income. If it is questioned whether workingmen can afford to invest their earnings in the corporation they work with, I point to the strike now going on in the anthracite coal region of Pennsylvania. That strike began on the 12th of last May and has continued ever since. Statisticians say that it has been carried on at a cost to the mine workers, in loss of wages, of \$25,000,000. This vast sum of money has been contributed directly by the workingmen battling for a principle in which they believe, and if they could not afford to contribute that amount they could not have remained on strike so long. Until very recently they did not ask for or accept relief; they fell back upon their savings, maintaining themselves and families during this period of idleness. The impression prevails in some places that our coal miners are improvident and thriftless, but nothing can be farther from the truth. They are economical, thrifty and temperate. With the exception of the alien element, that intends to go back to Europe on the accu-

mulation of a small sum of money, they aim at owning or already own their own homes. I spent the best years of my life among them and know that a more law-abiding, peaceable, industrious and economical body of men does not exist than our English-speaking and German miners. When, therefore, these men comprising this one calling can afford an expenditure of \$25,000,000, which in the channels of trade will never return to them, it is not unreasonable to suppose that, having confidence in the concerns they work for, they could afford to invest a portion of that vast sum in the stocks and bonds of the coal companies, and thus become sharers as well as producers of the profits. It

SHAREHOLDING WILL UNITE CAPITAL AND LABOR IN  
THE SAME HANDS.

is absolutely certain that the remedy for our industrial ills does not lie in a return to the old snail-like methods of production. The partnership and the corporation did not come because the individual desired it, but because he could not help it, and he need never again hope to carry on a separate business with his own capital and in his own little shop. He should direct his attention to something to constitute its economic equivalent, and the ownership of as many shares of stock as he can afford in some of the present-day corporations will approach nearer to that end than anything that now suggests itself to my mind. Capital

and labor in the hands of the individual producer were once united; under favorable conditions and laws they may again be united in the same hands. To bring about such a condition the men who make and those who own should lay aside at least part of their prejudices. Heretofore each side has distrusted its neighbor. They looked at each other's virtues through a telescope, but in examining faults they used a microscope. Could they come together, as men in the same business should, they would realize that the labor question has two component parts—the capital advancing, directing part and the performing, capital creating part.

#### A CLOSER ACQUAINTANCESHIP FOR EMPLOYERS AND EMPLOYEES.

Confidence lacking, co-operation in business could not succeed. The individual had confidence in the success of his business when managing it alone; he should not lack confidence when associated with, and receiving help from others. In daylight or dark this earth is the same, but we see and know it better in the sunlight. To know the corporation we should get closer to it and observe its operations under a clear light. To know the trade union one must not stand at a distance. Some of the most successful business men of the day were once workingmen, many received their first lessons in business in the labor organization. It is a needless waste of time, energy and wealth for the corpora-



tions of labor and capital to stand apart and remain unknown to each other. They should be brought together, and the world owes a debt of gratitude to those who originated the plan of bringing the "employer and employe" close enough to introduce them and lay the foundation for a larger acquaintanceship in the future.



OPPORTUNITIES OF THE INDUSTRIAL  
SOCIAL SECRETARY.



ELIZABETH C. WHEELER, SOCIAL SECRETARY OF THE  
SHEPARD COMPANY, PROVIDENCE, R. I.

## OPPORTUNITIES OF THE INDUSTRIAL SOCIAL SECRETARY.

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BY ELIZABETH C. WHEELER, SOCIAL SECRETARY OF THE  
SHEPARD COMPANY, PROVIDENCE, R. I.

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Before the industrial revolution, when enterprises were small and master and men worked in the same shop, they knew each other and each other's families. If an employe was in trouble or distress of any kind the employer had every opportunity to be as helpful as he desired.

### INDUSTRIAL NEEDS CREATE A NEW PROFESSION.

But with the rise of the factory system, the corporation and the trust the interests of business have become so great as to completely absorb the time of those directly responsible, they cannot call every man by name or give much attention to matters of environment pertaining to the workers. The personal element has been lost, estrangement has arisen. A feeling that the interests of employer and employe are at variance renders suspicion and misunderstanding

easy. The new conditions have created a new need, and the need a new profession—the social secretary—one who can devote her entire time to becoming acquainted with employes, attend to sanitary and physical conditions, seek to increase the general intelligence, foster a healthful social life, and strive to improve the general morals. This office is one of the necessary results of a busy commercial era. Many of the strained labor situations undoubtedly result from lack of personal contact between employer and employe. The two have drifted apart as industrial conditions have changed. It is scarcely more than a generation since the employer was personally overseeing his men. To-day many employes in large establishments seldom if ever see the responsible head. Growth of industry is chiefly responsible for this, and the need of an intermediary was long ago impressed upon very large manufacturers. Heads of departments are not always desirable persons for this office, since they have not a grasp on the affairs of the whole establishment.

This is one of the problems brought about by the changed industrial and economic conditions—the great concentration of capital and massing of humanity.

PERSONAL TOUCH LOST—NEW POINT OF CONTACT  
WANTED.

When in the old times master and men lived and worked together, a daily point of contact existed between them, but under present conditions there remains

no longer the personal touch, and sympathy is lost in estrangement. Increasing intelligence develops dissatisfaction with environment and a demand for definite, defined improvements. Not that it would be desirable, even were it possible, to return to former methods, but to establish a new point of contact, adapted to modern days, is the problem facing conscientious or progressive industrial employers of our time.

Some are fearful that in their attempts to do the right thing they may make mistakes and that the last state will be worse than the first, but as all the wonders of modern mechanical invention have come through experiments with physical forces, so our animate machines whose motive power is not steam or electricity, but blood, must be experimented with on the moral side until we succeed in contriving a balance of adjustment.

It is primarily the work of the Social Secretary to make these experiments, to study the science of human progress in the home of the worker as her laboratory, and to tell the employer how he may establish a desired point of contact between himself and his immediate staff and the rank and file of his industrial army. She practically becomes a board of arbitration and conciliation for the employing business.

WANTED, IMPROVED CONDITIONS, NOT CHARITY.

As capital is useless without management to direct it, so are both capital and management dependent upon

labor to execute their will. Hence it is to the direct interest of the employer to do all in his power for the worker. A more vigorous man will do more work, a more intelligent man will do better work, and a more conscientious man will do more faithful work. In short, the most successful worker, the one who contributes most toward his employer's success, is that man or woman in whom intelligence is supported by enthusiasm—a condition dependent upon intellectual and physical vigor. Now, if we can add to this a moral vigor, the desire to please, a keen eagerness in furthering the interests of the employer, we establish an ideal plane for efficient practical business.

Efforts looking toward industrial betterment have not always met encouragement from those whom they were intended to help, but this may generally be traced to a dread of paternalism or fear on the part of the recipients that they are being regarded as objects of charity. When such men and women can be made to understand that all this is done for the same reason that gearings are kept well oiled, they accept it as a duty of life—a part of their business. All idea of charity being done away with, they take a livelier interest in self-improvement. Just as with the capitalist, who is coming more and more to realize how much better it is to create conditions which make for the abolition of poverty than to foster conditions which necessarily induce it and then alleviate some of the consequent suffering.



Instead of giving away large sums of money for beneficent purposes—money made from profits of the business—an increasing number prefer to divide profits more liberally with the people who are helping to build up that business.

All this tends to establish a confidence which is entirely incompatible with the old idea that the capitalist is a thief and a robber, as well as to overthrow the feeling so general among unskilled laborers, that their employers belong to an entirely different species of humanity, who could not possibly see life from their point of view.

Labor troubles have frequently grown from a lack of proper attention on the part of the employer to the conditions surrounding workmen industrially and socially, and it is by observance of these defects and timely suggestions for their remedy that the Social Secretary becomes of value. Industrial reform has thus far developed chiefly in the line of better sanitary arrangements in factories and shops, accommodations for workmen during luncheon, change of hours and other small and large efforts to improve the conditions for work. In these things, and in appreciating and adjusting mere misunderstandings before they attain a serious growth, the intermediary has frequently proven a valuable functionary to employer and employe. The fact that this is recognized by both is one of the hopeful industrial signs.

## OPPORTUNITY TO LIVE RIGHT.

What is needed for the harmonizing of society is an opportunity for each and every man and woman to live his own individual life. This cannot be done when each is to his neighbor "No. 287" or "No. 6039." Hamilton Mabie says the way to do good is by "giving breathing space to the soul," that, unhampered and untrammelled, it may develop on its own lines and become a vital power in the world. The measure of a man's greatness is his vitality. The characteristic of all creative men is that they are intensely alive. We do not create power, we utilize it. With us, as with nature, vitality is the creative power, and the degree in which man or woman possesses it marks the intellectual life.

## MONOTONY WEARIES THE MIND.

Now, how is the man who hammers at a bench ten hours of each twenty-four, or the girl who tends a machine or who measures and sells ribbon from 8 a. m. to 6 or 10 p. m., to develop vitality, either physical or mental. The noisy din of the hammer pursues the one, even in his sleep, and his senses become clogged. Similarly, the girl calculates in her dreams five and three-eighth yards at forty-nine cents per yard, and the exact change from \$5.00. To be sure, the mental process of the girl has more of opportunity than the counting of the number of strokes to the minute of the anvil, but in both cases we have the same monotony

pursuing us daily and hourly; the mind becomes weary and craves stimulant. The ironworker is prone to seek it in strong drink, the saleswoman or factory girl in the pursuit of excitement. We have been preaching from the "Don't" text for generations, only to learn that it is a positive, not a negative, force which will win.

YOU ARE YOUR BROTHER'S KEEPER.

There is an old story of an evil spirit cast out of a man, which spirit wandered up and down in dry places without finding rest. At length he said to himself, "I will return to the house whence I was cast out," and he found the house empty, swept and garnished. The house had been cleaned after the foul spirit was cast out, but because, on returning, he found it "empty," he took possession of it with seven other spirits worse than himself. We may crush out of people's lives every sentiment but that of work, and fill their hours and absorb their strength, compelling them to eat bread in the sweat of the brow, and we may fold our hands and listen to the voice of the preacher who discourses upon the dignity of labor; we may even flatter ourselves that we are requiring but one-third of the hours of the week for such labor, and that another one-third is devoted to sleep, but what do we concern ourselves about the remaining third? Am I my brother's keeper? Does it concern me whether the girl who fits my gown spends her evening in a brothel, or the man who makes my shoes frequents

saloons out of work hours? I need not say that it does concern the community, but I want to emphasize the fact that it even more concerns the employer.

#### HUMANITARIANISM AND BUSINESS.

Now, there are two points of view from which we may consider this question. Call them the optimistic and the pessimistic, if you will; I prefer the terms humanitarian and business. These great industrial establishments are not conducted for philanthorpy, nor yet are their proprietors entirely heartless. It is, therefore, that the employer may secure better results from labor, as well as to better the conditions of the employed, that the office of Social Secretary has been created. There are large proprietors who realize the importance of these things from a true sense of fitness and justice. One man gave as his reason for adopting the principles of social betterment that he could not feel right in pocketing a profit of 250 per cent from his business while his men remained in poverty, though receiving schedule wages. Another prints on the title page of its staff publication: "It's right to accord employes that full measure of courtesy and respect which is expected from them; and the management that fails to see and appreciate this needs more light." Other employers openly affirm that they adopted these principles solely because of the better service thus induced, and because they believe the public appreciates such

endeavors and will carry its trade where such methods are employed, thus showing approval of such a course. This indirectly compels others to follow the example. Who shall adversely criticise this spirit? It may not be ideal, but there is certainly one vantage ground. It gives employes no opportunity for thinking themselves objects of charity.

#### POSITION OF SOCIAL SECRETARY NO SINECURE.

But whatever motive may have placed a Social Secretary in her position, she has no sinecure. Her duties require training, tact, intelligence, sympathy and experience of life. She must possess originality and a power of adaptation. She must cultivate habits of close observation and diplomacy, exercise judgment and discretion in cases of friction, be familiar with principles of hygiene, and of a winning personality, that she may command not only respect, but the love and confidence of the people under her charge. She must have an oversight of the library and superintend the entertainments provided to raise money for it or other purposes.

When young girls ask for the "Internal City" or "Who Is Your Schoolmaster," she, with habitual expression, passes out the copy of Caine or Eggleston, knowing that even a smile would afterward be remembered and understood. When the book is returned, by a little tactful questioning she draws out the reader's idea of the story and finds a way to explain the fitness

of the title, which indelibly expresses it, at the same time teaching the lesson that a little reflection will tend to exactness. Sometimes she is compelled to think fast and hard, as when "the biggest thing out" is called for and she takes from the shelf "The Greatest Thing in the World," offering a silent prayer of thankfulness that her applicants are interested in reading that masterpiece of Drummond's.

#### MAKE GOOD LITERATURE ACCESSIBLE.

We have all become familiar in the past two years with the remarkable development of the Booklovers' Library. We have acquaintance, too, with a later branch of its work, the Tabard Inn, to which one may, by becoming a life member, exchange his book in any city, bank or railroad station, on a train or steamer even, thus avoiding all necessity for packing a trunk of books for a trip. We may not all, however, be aware that Mr. Eaton is also preparing to offer to industrial establishments a similar service—placing cases of books in store or mill for use of employes, replacing with fresh books at intervals of a month or two, and all at an annual rental which is hardly more than nominal. Such a case has already been placed in the library of the Shepard Company and is proving very popular.

#### SOME OF THE DUTIES OF A SOCIAL SECRETARY.

It is the duty of the Secretary to watch the lunch-rooms and see that the proper standard of food is

maintained; to care for the reading room and its periodicals, that no discordant element creep in to annoy the occupants. She must hold the presidency of the girl's club, and any of my hearers who have been president of a woman's club will corroborate my statement that that position is no sinecure.

She must be prime mover in planning excursions and outings of all kinds, which, if successful, prove so happy a feature in fraternizing the people. If, as in some department stores and factories, a school for cash or errand boys is maintained, it becomes the Secretary's duty to act as supervisor of the same. In cases of illness or distress it is the Secretary who seeks out the absent employe and brings the necessary aid, whatever it be—physician, nurse, hospital bed, medicine, food, rent, clothing, advice or sympathy—whatever be wanting that it is her privilege to bestow. If a mutual benefit fund exists among the operatives, the Secretary takes an active interest in its workings, lending personal assistance, wherever it may be called for, and acting as a member of its board of directors.

But as far above all this as the soul is higher than the body rests the individual personal touch, the high ideals of life made attractive, the inculcating of noble aspiration and pure living, the power to get the confidence of a girl whose breeding has been of the "tumbled-up" variety, and to reveal to her the "vision splendid."

And right here lies a vast difference between the

country and the city girl. The former is more intense and self-reliant; the latter more indifferent and inclined to lean upon another. She is more easily led, be it upward or downward, yet when she goes wrong she is not so prone to reach extremes as her sister, to whom the attractions of the city have come with the force of contrast, and after she has broken away from parental authority.

#### CONDITIONS THAT TEMPT TEMPTATIONS.

The temptations to which working girls are exposed often lie, to a great extent, in the environment engendered by their peculiar employment.

Factory girls, shut up all day amid the noise and jar of machinery, breathing an atmosphere laden with the odors of oil or leather, find relaxation in the open air, and, work hours over, in lieu of better place, the streets claim them. Parks are too far distant, car fares often a luxury; and, unfortunately, it is not the best streets which are most convenient of access. The Social Secretary here will devote her energies largely to providing attractive and healthful recreations which shall meet just these conditions. The girls' club will be an important factor in her work, and she will especially aim at entertainment and excursions. Girls who have exhausted their vital energies before 6 o'clock want then to be amused. It used to be said: "Be good and you will be happy," but we now know that we must make people happy before we can make them good.



Waitresses in hotels and restaurants have their own peculiar conditions to meet. The class of men which makes up the larger part of the patronage of such places is not a class who entertain high respect for women.

Stenographers face a condition of their own. Domestic servants see too much of the failings of those they might otherwise consider their superiors and become cynical, gossiping, impertinent and arrogant.

#### PECULIAR TEMPTATIONS OF YOUNG SALESWOMEN.

Among saleswomen we find still another tendency which leads directly to the lowering of mental and moral standards. It is through the love of dress that the young saleswoman takes her first step in degeneration of character. She sees daily passing and repassing before her the most handsomely gowned women of the city. She has ever displayed before her the most beautiful fabrics, and as she exhibits them, discussing their value and beauty, her own artistic sense is quickened, the æsthetic side of her nature is developed at the expense of the practical. A recent magazine refers to this subject in these words: "Another good phase of the work is the opportunity it has provided for social secretaries to instill into the minds of their charges ideas of good taste in dress. It has been the task of secretaries to point out that frills, fripperies, mussy chiffons, loud colors, soiled laces, feathers and imitation jewelry are in poor taste. The

temptations of salesgirls are many; they see fashionably dressed, elaborately dressed women buying extravagant accessories and they sometimes long to own some of the dainty trimmings, baubles or gewgaws they handle. The social secretaries are teaching the girls to spend their money only for things of intrinsic value."

This is not, however, a fair criticism as applied to girls in the shops. Their tendency is not for the cheap and tawdry, *that* you may look for among the factory women; the very fact that the girls see so much of the best leads them to covet only the choicest. They become connoisseurs in fabrics, colors, and styles, and they will spend their all, even borrow money, in order to have only that which is really good. If you see a girl in one of our first-class department stores decked out in fripperies and cheap jewelry, you may rest assured that that girl is a new comer and that she will soon fall into line.

#### DRESS AND SOCIAL ADVANCEMENT.

There is another point from which we may view this question of dress—that of social advancement. It is one of the surest and most generally recognized indications of the steady advance of civilization that American parents invariably strive for a higher social position for their children than they have themselves attained. Now the girl who has a definite social standing—the college girl or the child of wealth—can

afford to be independent in her dress, even to shabbiness, but the working girl whose family lives in a tenement knows well how much her style of dress has to do with her position. Her income goes into her clothing out of all proportion to her other expenses. Miss Addams has suggested that if she is looking for social advancement, this is perhaps the most sensible thing she can do. Her home, in its scantiness or tawdry attempt at decoration (too often the result of a "rummage sale") is never seen by the people whose opinion she most values. Her clothes are the background from which she is judged, and at church or the theater she, by aid of a little imagination, may possess the consciousness that strangers might take her for one of the four hundred. To these, the garb is everything, and until attention is called to the fact, they have not discovered that culture puts its mark upon the face, and that they have thus ignored the most important feature. That imagination does indulge in flights of this nature is evidenced by the class of books so many of our working girls read. The doings of dukes and duchesses, of princes and titled nobility generally are eagerly devoured and passes on until literally worn out.

In a city of less than 200,000 inhabitants, my attention was called to the fact that in a dull season 1,300 of these books were disposed of in less than two days in *one* department store. A large proportion of these were purchased by domestic and factory employes.

It is because of this tendency to extravagance, as also because it adds to the general appearance, that a uniform style of dress seems advisable for the department store. A black, or dark skirt with shirt waist, white or light in summer, black in winter, is best. This is the most sensible dress for the business woman in all cases, and the most comfortable, and when once adopted becomes the cheapest.

#### IN FUNERAL EXPENSES PRIDE OVERRULES JUDGMENT.

While speaking of extravagance, I want to say just a word on the subject of funerals and mourning. I have known more than one family, deeply in debt for medical attendance and necessities of life, with an income not exceeding \$12 or \$15 per week for the entire family, which numbers say from four to eight persons, I have often seen such families paying over \$100 for the bare expenses of the burial, besides flowers, and all the women putting on deep mourning. I have known a mother to pawn the toys purchased for her children's Christmas to provide a suit of sables for herself on occasion of the death of her baby. So long as people who can afford these things set the example, those who cannot will follow, for pride overrules judgment.

#### PRACTICAL ECONOMY SHOULD BE TAUGHT.

Too often mischief is done by well-meaning but thoughtless persons in cultivating a taste for gew-gaws in young girls by making them gifts of such ar-

ticles. It is very important that the Social Secretary be a practical economist. She must teach people who have but little money how to so spend that little as to have a margin left for "a rainy day." Many a girl has come to me when the vacations were announced, desiring that I endeavor to arrange for her to go later than the assigned date, because, as she did not expect it so soon, she had not saved any money, and so could not enjoy her leisure to advantage.

It is a fact of some significance, I think, that no more is saved on a salary of \$12 a week than on \$8. The girl dresses better, goes out more evenings, perhaps takes more expensive boarding place, but she does not save any more. From this may we not argue that a living wage paid, and environments made the best possible, will develop more character and efficiency than an increase in actual cash paid to the employe? I am not prepared as yet to state this as a fact, but it certainly is one of the problems now before us. When a man's salary is increased, if he has formed a habit of borrowing he will continue to borrow, but on a larger scale, commensurate with his wages. I mean in this, of course, to refer only to such as are earning a living income.

I sometimes think the people in our shops look more lightly upon the value of money because handling so much of it, it becomes a matter of course to keep it in circulation.

## PENNY PROVIDENT WORK.

Penny provident work is largely confined to children and women who are at home—not to those who are earning a daily moiety. A few cents for this or that is not missed at the time, and it is only by keeping records of small expenditures that the Social Secretary can inculcate a spirit of thrift.

At a meeting of the Woman's Club, in a small Massachusetts town, the question was raised of establishing penny provident work among the children. Now B—— is a model town, no slums, no factories, a normal school to uphold the educational standard, and it was thought that such work was not needed there. All the people were well-to-do, and, it was believed, too well-trained for such foolish squandering of money, even among the little folk. As the vote was about to be called a quiet woman arose, saying that she had happened to be at the railroad station the day before, where she overheard a commercial traveler tell a comrade that he had just sold \$75 worth of chewing gum in the village.

We have a vacation club in our business, including some fifty girls, who every pay day pass to the treasurer one dollar. At the end of the season, when vacation time comes, the money is drawn from the bank and divided, and a good time assured.

Miss Wilkins has portrayed an excellent picture of thoughtlessness regarding financial obligations in her "Portion of Labor," which is only too frequent.

## NEED OF FRIENDLY RESTRAINT.

All these things point to a lack of mental training. Our schools do much, but not, as yet, do they produce desirable results in character building. Weakness and fluctuation are everywhere rife, and all social workers agree, I believe, that above all else we must teach people to think for themselves and to respect their own opinions. The worst lesson that can be taught a man, is to rely upon others and whine over his sufferings.

Girls leave school just as soon as they have passed the age limit, and enter the industrial world. Superior, most of them, except in experience of life, to the mothers whose advantages have not equaled their own, they soon (if there be not somewhere within reach a restraining hand) develop a bold carelessness which leads straight to a path of danger. And this restraining hand must be a friendly one, and one in which the girl can place all confidence. At home she had the mother, at school a favorite teacher, but now there is no one, or was no one, until the Social Secretary appeared above the industrial horizon—a star of the first magnitude.

## THINGS A SOCIAL SECRETARY IS ASKED TO DO.

The daily requests made to a Social Secretary for advice or assistance present a kaleidoscopic variety ranging through matters of health, board, tenements,

courses of study for evening, increased salary, vacation, shirt waist patterns, a dentist, the writing of an epitaph to be placed on an ancestor's tombstone. investigation of the character of a young man for the conscientious girl to whom he is paying his devotions; standing by a patient while ether is administered for a surgical operation, or chaperoning a ball; the discovery that a woman holding an important position in the business is making use of her influence to entangle young girls in a traffic in souls; the interesting of herself in hospital patients, whose names are brought to her by the employes or their friends, who themselves know that the weight of the Secretary's influence will compel more kindly care; the placing of a child in some home, or how to manage a wayward tot. Be it understood that many of the women employed in the great establishments are wives, widows and mothers, some of them having large families who must be left to the care of the eldest (not more than ten or twelve, perhaps) while the mother is away at her work earning the pittance to feed and clothe them. But the history of the "little mothers" is another story.

Don't think, however, that the Social Secretary is ready to meet every demand. She would need resources even as the waters of the Nile, and to be infallible as well. She must, however, possess some natural fitness and training, together with a capacity for hard work.



THE SOCIAL SECRETARY MUST KEEP IN TOUCH WITH  
CHARITABLE INSTITUTIONS.

The Secretary finds a mighty resource in the various charitable institutions, with every one of which she must keep on good terms. In fact, her work in that respect much resembles that of a commission merchant, as she moves between these philanthropic organizations and the persons whom they are designed to relieve, but who would many times remain in ignorance of any such helpfulness were there not some connecting link, some one to touch the spring and bring the harmony to the listening ear.

BEGINNING AND DEVELOPING OF ONE OF THE NOBLEST OF  
PROFESSIONS.

The first Social Secretary was introduced to the Industrial world less than three years ago. That development and success have followed so rapidly can only be explained by the fact that the world had been waiting for her. If the founders of that grand institution, the League for Social Service, had made but this one suggestion, their names would have passed on in history in the list of those who had achieved much for the human race. Yet we have made but a beginning, it is as impossible to predict the future of one of the noblest professions, thus in its infancy, as to determine definitely the character of the fully developed man from an acquaintance with the child of

three. I look forward to the time, in the not distant future, of this I am certain, when we shall have an international convention of the social secretaries of the civilized world. Then, working together, we can look toward the realization of complete harmony and sympathy between employers and employes. I am coming to believe that a true, unselfish sympathy is the highest, as it is the rarest, of human virtues. Not sympathy *for*, but sympathy *with* and *in* the interchangeable interests of employer and employe, of whatever scope or degree.

#### A FAIR CHANCE WANTED, NOT PITY.

Of all things, our workers do not want, even less need, pity. All they ask or desire is the opportunity to develop their souls, together with their bodies, and that their work and environment, in so far as it is controlled by others (and this means employers), shall be such as to give them a fair chance.

#### MUST EDUCATE THE CHILDREN.

If our children must be at factory or shop for ten hours a day, is it asking too much that the employer, who puts into his own pocket the profits of that labor, shall give to each child one hour of that day, in the early hours before his vitality has become exhausted and his brain numbed, providing for him a teacher, that he may have some small chance to grow and gain and give?

We have our evening schools, to be sure, doing grand and noble work, but how many of us ever passed an evening in one of them and failed to notice the spirit of weariness which permeated every fibre of this small piece of humanity.

I would have every large industrial concern in the country, where children are employed, provide a school where these same children may be taught in classes for at least one hour each day. In department stores there are dull hours when one-third or one-fourth of the children might well be spared at a time. And not less important to the employer is the reaction which provides him with more intelligent, more eager and more interested helpers. A few have already adopted the plan and find the benefits accruing are tangible and real.

#### EVIL RESULTS FROM HAVING IGNORANT MEN IN POSITIONS OF AUTHORITY.

One of the worst evils with which the merchant of to-day has to contend is that resulting from taking young boys into the establishment who grow up there, developing good business ability and eventually becoming heads of departments, but who, because of lack of general all-round education, have not developed the mental or moral force so necessary in dealing with employees. We all know the effect of an ignorant man in a position of authority, and the spirit bred in

employes by the domineering tyranny of such a one. He fails to command their respect, but his dictates they must obey, just or unjust.

The head of a business seldom knows of these instances, and in too many cases where he is aware of the existing conditions he feels that he must ignore the matter, believing that in no other way can this particular foreman control his men, and not willing to lose a man so efficient in other respects.

Conditions and environment vary widely in many shops as respects men and women. Men, in their broader experience of life, have developed an independence which refuses to submit to that which women will endure in silence, fearing that any complaint will be met with discharge.

#### KEYNOTE OF THE FACTORY BELL.

For the keynote which is being struck on every factory bell in this country to-day, we have to go back to the earliest recorded history of our race. Cain asked, "Am I my brother's keeper?" and now, after all of these centuries, the same word is being spoken, but in a different tone. At the beginning of the world's history, it spoke defiance only. To-day it is whispered with bated breath, under a sense of responsibility which hovers like a heavy cloud over the race of an industrial age growing in knowledge and sunned by prosperity.

Do you call humanitarianism a "fad?" then "blessed

be fads," for when you can make social betterment fashionable you have won half the battle. For years health, cleanliness, common sense and decency fought for a skirt for women which should not be a street scavenger, but not until Dame Fashion appeared with her bicycle and golf links did Mrs. Grundy pay the least attention. Fashion is an arbitrary mistress, but like a dog, it is better to have her good-will.

The employer who conducts his business upon the principles of humanitarianism is the one who wins the good-will not only of his employes, but of the general public, and the result is just as certain as is the law of physics, or the wisdom of King Solomon: "Cast thy bread upon the waters and after many days it shall return unto you."

#### THE SOCIAL SECRETARY RECEIVED AS A FRIEND.

The Social Secretary has at least one important advantage over the representative of any charitable institution. Her work in some respects is rather that of the social settlement worker. When she enters a home where illness or distress exists, she does not come as a stranger and does not meet the suspicion she otherwise might. She is personally known to at least one member of the family and is received as a friend, not as a "friendly visitor." Nor is she compelled to ask disagreeable questions. She already knows the amount of family income, and whether the head of the house is intemperate, etc.

What the parent must do for the one young in years the Social Secretary finds to do for those young in experience, and for this reason the social secretaries most sought for are men and women in middle life.

THE LABOR PROBLEM MUST BE SOLVED BY EDUCATED WORKERS.

One of the best and longest steps forward in recent years is the work of the social settlement. May we not go one step farther? Will not our young college trained men and women of generous hearts and broad sympathies not only go and live side by side with those whose advantages have been limited, but work side by side with them as well? Let them go into the shops and factories, and while earning bread in the sweat of the brow, let them share the culture which has been their opportunity with their co-laborers, feeling not that the education they have received is wasted because they are not following a literary profession, but that they are thus enabled to make the highest use of their trained powers, showing by example the true dignity of labor. When we have even a few such workers in any industrial establishment the tyranny of the ignorant foreman will cease—he will be rooted out as weeds from a garden where choice flowers have been planted. The heartless proprietor, if there be any of that class left, seeing and hearing the intelligent demands and criticisms of employes of broad mind and cultivated spirit, will be shamed into something better.

Such men and women, borne onward by the courage of conviction, and conversant with the requirements of the age for progress in civilization, can do more to bring about a fair adjustment of the relations of capital and labor than can any other agency yet known to man.

It may not be pleasant to work at manual labor for ten hours a day, but when we have this class of men and women actually living under these conditions, as they to-day prevail in most cities of our fair country, we shall be much nearer the millennium than we are at present.





THE ECONOMIC EFFECTS OF THE EIGHT  
HOURS DAY.

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PROF. FRANK L. MCVEY, UNIVERSITY OF MINNESOTA.

# THE ECONOMIC EFFECTS OF THE EIGHT HOURS DAY.

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BY FRANK L. MCVEY, PROFESSOR OF POLITICAL ECONOMY  
IN THE UNIVERSITY OF MINNESOTA, MINNE-  
APOLIS.

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In these days of industrial concentration and wealth getting, the impression is apt to prevail that the whole industrial machinery is organized for the mere sake of production and the profit incidental thereto. Workers under such a concept are regarded as the parts of a machine system instead of members of a society. But even from a viewpoint of this kind, the eight hours day in so far as it affects the productive power of the worker becomes a question of great importance. When it is stated that the future culture of the laborer depends upon this movement, that poverty is to be driven from the industrial world and industrial depressions held in check, every one, skeptical or otherwise, must pause to listen to the arguments presented for such a cause. It becomes when attached to the philosophy of trade-unionism the great question, the most important with which labor has to deal.

## INTRODUCTION OF MACHINERY INCREASED EXERTION.

The introduction of machinery at the close of the last century with the attendant high cost of capital forced longer hours of labor than existed under the old domestic system. Human endurance was for many years the sole check upon a day's labor. The whole tendency of modern industry, even with the shortening of hours, is in the direction of increased exertion. The essential element in the machine organization is the human one, the most precious and the most difficult to replace. The energy of a worker in any industry should always be equal to that of the day before. If the pains of labor are heavy the tone of the workmen is lowered and his surplus energy disappears while he tends to become a mere automaton valuable to society for the net surplus he creates for others. The round of production of energy into goods, goods into utilities and utilities into energy, is broken down by any such heavy burden. We must therefore, hail, certainly from the viewpoint of the community, any movement likely to increase its working power. Whether the eight hours day is able to do this is the question with which we must deal in the course of the evening's discussion.

## BEGINNING OF THE EIGHT-HOUR MOVEMENT—HOW DELAYED.

The eight hours day is not a new question. As early as 1842, and still earlier in England, such a working

day was agitated, but so far in advance of the hours then worked was the demand, that little attention was paid to the movement. The agitation for the eight hours day has been materially affected by historical and industrial events. The Civil War postponed the whole question of shorter hours for several years, and the movement was just gathering strength when the panic of 1873 again postponed its consideration. In the next twenty years the railroad strikes of 1877, the industrial depression of 1883, the Haymarket riot of 1886, and the panic of 1893 kept the question in the background; but after the long series of difficulties during a time of great prosperity, the "Eight Hours Day" again makes its appearance for serious consideration.

#### PHILOSOPHICAL BASIS OF THE MOVEMENT.

The basis of this extraordinary movement is a philosophical one strongly stated and widely believed. It may be briefly put as follows: Economic ills come from poverty, poverty in turn is due to overproduction and the presence of the unemployed in large numbers in society. Society can be relieved from this burden by larger wages and shorter hours of labor. Shorter hours in turn mean an increased standard of living, wider consumption and in consequence, a larger demand causing the creation of goods at a lower price and the continuous employment of labor in order to meet the demand and furnish the supply. In such a

philosophy the standard of living is governed by wants, and wants are determined by the social opportunities of the masses. All of this can be accomplished by reducing the hours of labor. Wages under such system, it is argued, will be increased in two ways; by reducing enforced idleness and by creating new wants and raising the standard of living.

#### ARGUMENTS BACK OF THE PHILOSOPHY.

The arguments back of the philosophy of the eight hours day may be grouped under the three heads of economic, social and human necessities. It is demanded by economic necessity for the reason that the modern factory can turn out more goods than are needed to supply the wants of the people. Machines and inventions are continually introduced resulting in no higher wages for the worker and the piling up of goods for which there is no market. The increased purchasing power of his wages, may be lost at any time by the competition of the unemployed who tend to force the employed to take a lower remuneration. The worker is thus confronted by lower wages to balance lower prices.

The employer too, is compelled to keep in the procession of low cost, producing cheaply when he needs the supply, closing his mills when the demand falls and his supply is sufficient. This condition of affairs produces the unemployed. It is the presence of the unemployed that creates the social necessity for the

eight-hours-day, so it is urged. A large body of unemployed increases the burdens of society, enlarges the ranks of criminals and those dependent upon charity. The trade unions are jeopardized by the greater difficulty of keeping up their organization and their rates. Union wages fall, demand for commodities declines, the weaker concerns fail and consolidation of interests results, bringing another social problem for solution.

The wear and tear upon human life steadily increases under modern methods of production. This is the third reason urged for the adoption of the eight hours day. If men are to stand as heads of families, as electors, and even as operatives of machines they must have time for rest, for education and for family life. The responsibility of government increasingly falls upon the working classes in a democracy.

Shorter hours of labor alone can give the worker the leisure for the careful study of present day problems, thrust more and more upon the electorate for decision.

#### A SOCIALISTIC VIEW.

The staunch followers of trade unionism believe that in the philosophy just enunciated they have a solution of the question of the unemployed and consequent fluctuation of wages; but to this the great socialist element in the trade union movement reply that the reduction of hours is a necessary feature of a labor program, but that it is unsatisfactory and reactionary

as a substitute for the socialist program. Nothing but the latter can overcome the blighting influence of over-production under the machine regime of private property. To the socialist the introduction of new machinery, higher speeds and reorganization will always displace more workers than can be employed by a reduction of hours. In other words, to them the eight hours day is a palliative, not a solution of present day evils. To this the reply is sometimes made if eight hours will not bring the desired result then six, certainly four hours a day will employ those out of work.

#### EIGHT-HOUR DAY HINGES ON SOURCE OF WAGES.

It is at this point that we may turn to a careful examination of the eight hours day philosophy and the questions kindred to it. Fundamentally there can be no objections to the desirability of the eight hours day; but to the philosophy and basis of the argument very serious objection may be taken. Under the eight hours day movement is an abiding belief in the power of the standard of living, to increase wages and that demand for commodities constitutes the principal employing force of labor. From this point of view, shorter hours mean increased standard of living and wider consumption, leading to a larger demand for commodities and as a consequence to extended employment of workers. But want and demand are not synonymous terms. Want does not develop into demand unless accompanied by purchasing power. Hence we must



come back to the source of wages upon which the whole question of the eight hours day hinges. The wage-earner does not influence the market and produce the results noted in the philosophy of the short hour movement, except as he is the possessor of material things. Undoubtedly the rate of wages does depend upon the demand for labor, but in turn the demand for labor rests upon the aggregate capital of the community which is determined by the gross production and the demand for commodities, while the gross production is governed by the productivity of labor. Wages are thus ultimately paid out of product.

#### A MOST DANGEROUS FALLACY.

In this statement of the source of wages it will be noted that the demand for commodities determines the amount of capital that will be used for productive purposes, but in no sense does an increase of wages rest upon the sole cost of subsistence. Increased wages as well as reduction of hours are limited by the producing power of labor. Whether the laborer gets all he is entitled to does not materially affect the arguments advanced for the eight hours day. Employers will pay for production and no more. It is a most dangerous fallacy that looks upon work as definite in amount that must be done, regardless of wages, or number to be employed. Employment must rest ultimately upon the amount of wealth created; in consequence the eight hours day question resolves itself

into this query, Can as much work be done in eight hours as in ten? It is evidently presumed in the philosophy of the movement that this is impossible since a great army of the unemployed are to re-enter the ranks of industry when such a day is secured.

#### PROBLEM OF OVERTIME.

As a means of solving the unemployed problem the eight hours day has no value except as it abolishes overtime and all its kindred evils. The phenomenon of non-employment is due in large measure to sickness, shiftlessness of individual labors, and the fluctuations of commercial credit resulting in the closing of mills and the discharge of workers. Upon the first two the eight hours day has no visible effect, upon the third by abolishment of overtime it may have a most important bearing. Employment and production would be rendered more stable and periods of non-employment and overtime would be arranged by continuous employment of the worker. Objection to overtime as a usual thing is more on the ground of the destruction of season of trades and the failure to supply press orders. In some instances the abandonment of overtime would not materially affect the season of employment, but there is no reason why press orders may not be anticipated by buyer and seller, causing a more equitable distribution of work throughout the year. On the other hand it is urged that to cut the hours of the day will give greater opportunities for

overtime; but this may be adequately answered by the vote of trade unions upon this point; although individually the members may favor such practice, in the long run it means a lowered rate and a contracted area of employment.

#### EIGHT-HOUR DAY CANNOT ABSORB THE UNEMPLOYED.

The vast majority of the advocates of this movement favor it because they hope the blighting competition of the unemployed may be removed by the reduction of hours of labor. Such experience as has been had in various lands where the eight hours day has been in vogue hardly bears out the hope for such a result.

In Victoria the unemployed are still evident in great numbers, the organization of the "New Unionism" in this Australian state is proof of the inability of the eight hours day to absorb those out of work. It may be boldly stated that no provision such as the one under discussion is able to solve the difficulties which have their root in the whole economic basis of industry. Nevertheless the eight hours day has its reward and is worth seeking.

#### HIGHER INTELLIGENCE—BETTER RESULTS.

Not then as a means of employing the "reserve army of industry," as the unemployed are sometimes called, is the eight hours day to be advocated, but rather as a means of giving to men a wider interest in life, the possibility of greater culture and the surety of

education commensurate with the problems now forced upon our democracy for a solution. It is not then as a private measure that this movement is acceptable, but as a public necessity. More important still is the query, can such a day be attained. Remembering that wages depend upon the productivity of labor, it remains to be seen how far an eight hours day is likely to impair production and in consequence injure the wealth producing power of the country. Experience, however, furnishes an answer, for in many manufacturing plants it has been shown that in the long run the men are able to produce as much in eight as in ten hours, while the proprietors add such eloquent testimonials as "less drunkenness," "greater regularity of attendance," and "better class of men at work." If the eight hours day is productive of higher intelligence it must bring better results.

In the English coal mines the eight hours day has been the rule for some years with no special diminution in the output. This mysterious result, defiant of the "rule of three" is due to the power of greater intensity of work during a shorter time; evidence of the fact that the energy of the worker has not decreased from day to day from the long hours of labor.

#### HOURS AFFECTED BY OCCUPATIONS.

In the various occupations where no products are created, but exchange alone carried on, there is no

reason why trade might not be confined to shorter hours than at present. The fear of loss of custom and the resultant advantage to a neighboring merchant keep men from cutting down the hours of clerks. In reality there is no reason why buyers could not easily conform their purchases to the hours set by the eight hours day. But in the railway and street car service the public demands trains and cars at all times. The eight hours day in such instances would mean increased expense of operation, but the public would get a better service by the use of two shifts of men in the case of street railways than at the present time. More than that the general adoption of eight hours would confine travel to more limited time, reducing, comparatively, the expense over the present lack of concentrated travel. The present system keeps men at work for long hours, endangering the traveling public by possible carelessness, due to sleepiness and fatigue. On the railroad systems even worse conditions prevail, but with much better excuse. The state has from time to time attempted to interfere, but without any marked success. The eight hours day is possible in many divisions of railroad work and when attainable should be insisted upon by the public for its own protection.

The interests of the individual and the community are by no means identical in the establishment of the eight hours day. The community desires the highest good and greatest energies of its workers through long

periods of time. This can be accomplished in most industries without any accompanying loss of productive power, by shorter hours of work, as has been proven in the experience of many industries. On the other hand in specific instances and in the operation of railroads and street cars, the shorter hour day will increase expense of operation considerably, though not by any very large percentage. In some industries where labor is not employed continuously, but periodically and gathered from any and all sources, the employer finds it to his advantage to push the hours of work to the longest possible limit. Human energies can stand a pace of this kind for a time, and as the employer does not worry about a future supply of workers he expects to win an increased profit by such a policy. These industries have come to be called parasitic. The eight hours day would mean the death of the sweating system and of such industries as are dependent upon excessive hours.

#### EFFECT OF PARTIAL ADOPTION.

The variation with which this movement may be introduced will have much to do with the economic effects resulting from it. If universally adopted there will be one result, if by industries another, and if in one district and not another still others. It may be presumed that general adoption of the eight hours day is virtually impossible whether forced by legislative action

or trade-union ukase. Some industries will be slower than others in the adoption of the measure, but it may be taken for granted that the movement of the best laborers will be from the ten and eleven hours district, to the section where the eight hours day is the rule. In the more unskilled trade this may result in causing a still greater dearth of workers in the rural districts, the attraction of the eight hours day and the city being too much for the laborers in the agricultural districts. This would tend to increase the ranks of the union unemployed in the larger cities.

#### EIGHT-HOUR DAY AND FOREIGN TRADE.

Perhaps the one great bugbear in reference to this movement is found in the fear that exports will decline in amount, affecting the foreign trade of the nation. In contrast to this position is the repeated statement that the long hours of foreign workers assist materially in checking their competition with us. That, however, was in the days when ten hours work was the rule. It must be kept in mind that these nations have materially reduced their hours of labor and are fast approaching our standard of factory sanitation and direction. In the words of another, "high wages, short hours, and the resulting mental and physical development, facilitate the introduction of more effective methods, and thus reduce the cost of production." There must be a limit to which the principle of short

hours can be pushed, but undoubtedly the eight hours day is within the limit, as is evidenced in the successful mercantile position of England where the eight hours day has been in vogue for a number of years.

Nevertheless, the eight hours day must cost somebody something in loss of profit, greater exertion in a short period of time, or smaller wages. If, however, wages are maintained and the productivity is kept up it must be by the increased speed of machinery, the use of poorer material, and finally by the substitution of machines for laborers. The greater uniformity of production of new inventions and new methods ought to prevent any loss to profits. But is such a diminution does actually occur the loss will fall upon interest since the wages of the superintendence and insurance against risk cannot be affected. If there is a lower rate upon interest due to the eight hours day is capital likely to migrate and savings fall in amount? To this it may be replied that the increasing amount of capital "in other lands seeking investment" indicates the impossibility of any larger amounts leaving this country.

#### ECONOMIC RESULTS.

What then are the economic affects of the eight-hours day? It is first of all difficult to predict what would be the actual effects upon the product of labor, but the evidence is sufficient to maintain the belief that there would be no material reduction in output. Un-



doubtedly individual firms might suffer in the transition, but the newer methods and better adapted laborers would more than make up for this difficulty. In the retail and clerical occupations nothing but good would result from such a day, while some added cost of operation would be incurred in the case of street railway and transportation companies. Even this burden would be lightened by increased travel within shorter hours. In some instances the industry would be destroyed, it no longer being worth while to produce goods in the old way. In a few industries wages would drop, but in most of them no material change would occur. In some respect the foreign trade of the country would be changed, but not in the aggregate, while the permanent results are likely to be a lowered rate of interest, a more intelligent body of workers and a higher taste in buying, resulting in many changes in demand.

#### A DANGER TO THE MOVEMENT.

It is possible for trade unions in a few industries to secure the eight hour day, with restrictions upon the productivity of the laborer, but in every such case where production is limited society pays the wages for a smaller product than before. Once adopted as a general measure, any attempt to restrict the product must result in a lower wage for all workers except in so far as they are able to force the profit and interest receivers to maintain the decline in production. But

even this cannot long be the rule. The danger to the eight hours movement is the possible attempt to restrict production.

#### HOW THE EIGHT-HOUR DAY SHOULD BE ESTABLISHED.

One more question remains to be considered, and that is the best way to secure the shorter day. Three methods are open to the advocates of shorter hours, legislative statute, trade-union action and voluntary act of employers. Any bill providing for shorter hours must be strictly mandatory and making no exceptions, the conditions of overtime must be defined and the law rigidly enforced. Its constitutionality virtually limits such action to public works and to contract factories. Shorter hours by legislation serves as an example on the part of the state or federal authorities, but where attained outside of government circles, by legislation, the trade-unions are often not strong enough to maintain the hours at the old wages. The shorter hours days can only be an abiding possession (where not granted by the voluntary action of the employers) when maintained by public opinion and strong trade-union organization. It would be far better, however, if the shorter day could be secured gradually through the voluntary act of employers. The eight hours day attained in this way is a reasonable request that from the point of view of selfish interest employers would do well to grant. Give labor a generation more in the organization of the workers and

great changes will be wrought that will produce marked results in the ownership, direction and management of industry. Reasonable requests granted now will make the transition less difficult and severe.

The eight hours day will secure larger contentment and cheerfulness for the working people of the world. The economic value of this gift is yet to be appreciated, but there can be no doubt of its great productive power when applied to industry. Under its influences the old rate of daily production will be maintained and little or no change will result in the long run in the effects upon wages, profits, the unemployed and foreign commerce.



ARBITRATION FROM THE POINT OF VIEW  
OF AN ARBITRATOR.



FREDERICK W. JOB, CHAIRMAN ILLINOIS STATE BOARD  
OF ARBITRATION.

## ARBITRATION FROM THE POINT OF VIEW OF AN ARBITRATOR.

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BY FREDERICK W. JOB, CHAIRMAN, ILLINOIS STATE  
BOARD OF ARBITRATION, CHICAGO.

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When I was visited some weeks ago by the secretary of the organizations of the citizens of Minneapolis and of the Eight Hour League, under whose auspices this meeting is now being held, and was informed that a national convention of employers and employes was to be held in this city at this time, and was told of the objects of the same, the subjects to be discussed, etc., I was very much impressed with the idea; and the benefits both to labor and to employers which will result from such a conference deeply impressed me, and were vividly before me. The object of such a convention as this is in my opinion a most praiseworthy one, and most certain to produce beneficial and lasting results to both employers and employes throughout this broad land. The good results of the same appeared the more important and likely to me, from the very fact that as chairman of the Board of Arbitration of the State of Illinois I have in the

past suggested and attended, and in fact our board has held on a smaller scale a great number of just

CONFERENCES BETWEEN EMPLOYERS AND EMPLOYEES IN  
ILLINOIS.

such conventions as we are holding here now. The small conventions I refer to have in the past been the result of and followed closely upon the heels of labor disturbances in Illinois, and have been popularly designated as cases of arbitration and settlements of labor troubles conducted by our board. Our meetings here this week are in fact much like these conventions in Illinois, which were merely conferences between employers and employes, and differed from the present convention only in the two elements of, first, being a conference before trouble ensues, and, second, being a conference between an employer and his employes in Illinois in a specific case; and I assure you some of our Illinois conferences greatly resembled conventions, and had the decided ear-marks of conventions, even to the extent of having the excitement and wrangling, and decided uncertainty of even a national political convention. At these conferences of employer, employes and our board, I have always wondered why it was that employers and employes did not get together the way we did then, and as we are doing here now, *before* the trouble broke out, instead of waiting until a strike or lockout occurred and thereby entailing loss and suffering upon both employe and employer. I



have made quite a study since my appointment as a member of the State Board of Arbitration of the subjects or arbitration, conciliation and labor troubles in general, why they existed; what produced them, how to avoid them, and a dozen or more other subjects which they suggest, and most pronounced in my mind of all these suggested questions is the one prominent question of why in many cases friendly conferences have not been held between the employer and employe before the trouble originated. That is the one particular question which has interested and disturbed our board, and upon this one point we have been doing our best in the past to educate the workmen and employers of Illinois, and of the city of Chicago. For I want to emphasize, ladies and gentlemen, that repeated friendly conferences between employers and employes can no more mix up with strikes and lockouts than can oil and water mix, and the more you have of the friendly conferences the less there are sure to be of labor disturbances.

#### CAUSE OF LOCKOUTS.

One of the most frequent causes of lockouts comes from the fact that one side or the other to the disturbance fails to recognize the fundamental facts of the relation which they bear to each other, which is that both employer and employe are vitally interested in wages, in hours and in conditions of labor, and if either side fails to so recognize and be guided by these

fundamental principles, trouble ensues. There seems to be great difficulty in getting either side to correctly view the relations which exist from the viewpoint of the other, and neither side in most instances cares to go to the trouble to explain his side of the case thoroughly and intelligently before the dispute has assumed a serious aspect. The employer will often fail to recognize the fact that with his growing business, his changed conditions, which are attendant upon such growth, the employment of new foremen and bosses, the actual condition of the laborers should receive his careful attention, and fascinating as may be that part of his business which relates to the general supervision of the same and its growth and progress, the employer nevertheless too often makes the mistake of not getting closer to his men and understanding their situation and circumstances, and these mistakes as we all know are nearly always followed by a labor disturbance.

#### MISTAKES OF EMPLOYEES.

The workman on the other hand is often too prone to assume that increased prices and a larger establishment, and more material evidences of a growing institution mean that all this growth was produced exclusively as the result of his toil. He makes the mistake of assuming that because there are more employes in the factory than formerly the management or owner of the business has forgotten him, and that he can't

see the president or the head of the concern. These very facts were evidenced to a pronounced extent in the information which was disclosed at the conferences of the Chicago stock yards packers and other employers of teamsters with their men, under the auspices of our board, in Chicago, in June and July, 1902, in the now celebrated strikes of the thousands of employes which at that time paralyzed the business of the city.

I say it is with particularly great pleasure that I am permitted the honor of saying at this convention that the very object of the convention, which I take to be the solution, or at least the explanation of some of the features of industrial disturbances, this very object is a most praiseworthy one, and this convention is, if I mistake not, most likely to bring these important matters before the public in a clear and unbiased manner. Arbitration and conciliation are indeed destined to take the place of force on the one hand and idleness on the other; one or both of which inevitably and unfortunately follow in the wake of a lockout or strike.

During the year and a half of its existence, the State Board of Arbitration of the state of Illinois has fortunately, or perhaps unfortunately, been, to a certain extent, thrown upon the center of the stage in matters industrial, and has met, grappled with and partially solved some of the problems which have presented themselves in industrial disturbances in our state within the life of the present board.

Our board is constantly confronted with men and organizations on both sides of labor troubles who say, as did Jefferson Davis, at the Confederate Congress in 1861, that, "All we want is to be let alone." That is a very beautiful theory; an expression which sounds well, and in many cases is a direct invitation to our board to mind its own business, but while this invitation would be pertinent in most cases, we don't believe that it applies to us, because our business is for the most part attending to other people's business, and we don't believe that people who are having a fight in which the public is concerned (and I might add that the public is concerned in every strike), and in which the public is getting about as many blows as either of the fighters, have any right to say they want to be let alone, or if they do say so, should be let alone. We believe that if they cannot settle their own fight it is the duty of the public, or the servants of the public, to try and settle it for them, and this is what our board has been doing. We believe that if the state and its people are to be the sufferers through an industrial disturbance, and if the state is finally to be compelled to go to a great expense to look after itself, and be seriously inconvenienced when the disturbance becomes more violent, that it also has the right to look into such a case before it reaches a violent stage, and is justified in making the demand that the rights of third parties, such as the public, be protected.

Realizing early in the life of our board that there

was one thing above all other things which even a state board of arbitration could not survive, we decided at the outset and at the first meeting of our board that politics would not be permitted to dominate it, or have in fact, anything to do with it. With a by-partisan board and a non-political board we set to work something over a year ago to get at the subject of labor troubles in Illinois, and to contribute our assistance to the solution of the same. We found in a great many instances that arbitration boards had in the past in many states been regarded, though unjustly, as merely political creations, and we devoted ourselves diligently to overcoming this prejudice among both employers and employees.

It was made manifest to us that everybody was in favor of arbitration, except that everybody wanted to arbitrate everybody's else case of strike or lockout, but his own, and in his own case he was inclined to think, whether employer or employe, that he was entirely in the right, and there wasn't anything to arbitrate.

We found too many times that in the case of strikes the matter of getting together by conciliation and arbitration had been postponed again and again in the hope of each party gaining an unqualified victory, and the strike or lockout would in the meantime grow fiercer and fiercer, until it was like the case of a drunken man whom I heard of the other day, who was found by an eminent Catholic divine of Chicago, sitting on the steps of his church. The holy father,

who is a well known man, and a great worker in the church, began to reason with the man, and tried to induce him to join the church, or at least to go into the church, and after talking with him on the subject for a few moments the fellow raised his head and said: "Well, father, I have just been thinking of joining your church, but the longer I think about it the sicker I feel." And that is the way it was in too many labor troubles in Illinois, they were all sitting around and thinking about getting together, but the longer they thought of it the sicker they got, and the fiercer the fight became, and the less getting together was accomplished. We finally concluded that getting people together in the matter of conciliation and arbitration was like handling a rope, it could be pulled very easily, but could not be pushed an inch. We found that by persuasion and friendly conferences much could be accomplished, and so we got busy in that direction.

We learned early in the game, too, that just as an ounce of prevention is worth a pound of cure, so too, is one hour's conference after a strike worth ten days of a strike or a lockout, or a continued labor trouble. We found among other things that neither side ever wanted to pose or be considered as the party which had suggested the meeting of the participants in the strike. Accordingly we originated a system of what might be called "butting in" to labor troubles, and of framing and delivering what we regard as a tempting invita-

tion, to conferences, which we soon found was effecting results. With these principles in mind we coupled with our invitations to combatants the guarantees.

#### SUGGESTIONS TO BOTH SIDES.

First, that a conference with each other and with our board would do them no harm, if it did them no good, and would at least leave them where we found them, if it did not settle the trouble.

Second, that our board could be relied upon to not carry tales from one side to another. We realized that we knew that no trouble was ever settled by the mediator or peacemaker who carries stories from one side to the other.

Just one other suggestion to parties in conflict, and the work of getting them together was more than half accomplished.

This other, and third point was that it would not cost the contestants a single cent; that the state paid the bills. This makes quite a difference to people in Chicago, although it might be otherwise in the booming city of Minneapolis. In this way we secured the confidence of the parties to the strife, nor has that confidence in any single instance ever been betrayed by us.

#### EARLY NOTICE OF TROUBLE ESSENTIAL.

We find that when we have reached the point where we can get the employer and his employees to agree

to meet and reason together that they are always well on the road to reconciliation.

Briefly, what I have said is what we have outlined in most cases where trouble was on hand, and the same was brought to our attention, and to show that we as a board were truly people who not only took care of all trouble which came in our way, but went out and hunted it, we sent out notices to all the mayors of cities, and presidents of village boards throughout the state, calling their attention to the fact that the law of Illinois provides that our board shall be notified whenever any labor trouble is threatened or is in actual progress. The desire of the executive officials of the cities and villages throughout the state to have no labor troubles in their communities has been a very potent factor in getting these mayors and presidents of village boards to send in prompt notices of such troubles, and in many instances the popularity of these same officials has been greatly increased through their diligence in having our board come to their towns and help

#### SUCCESSFUL ARBITRATION WORK.

settle these troubles. With an average of one strike a day in the state of Illinois for every working day in the year, and with the varied and complicated industries throughout the state, and the large area of the same, I can assure you that our board has about all to do that three men can attend to. As one of the members of our board aptly expressed it the other



day, we started in to raise a crop of arbitration and conciliation cases and we have got an over-production. We have in the past grappled, and I am happy to say in a large majority of cases successfully, with a larger number of cases of labor troubles than any other board that has ever preceded us in our state, and the end is not yet. We have settled strikes among boys, girls, men and women, of all colors and nationalities, and involving all sorts of contentions and principles, but by far the most common source of our trouble is the question of the recognition of the union, and this brings me to the subject of why in my opinion there are so many strikes

#### WHY THERE ARE SO MANY STRIKES AT THE PRESENT TIME.

at the present time. There can be no question but that just as unions were the forerunners and the patterns set for the formation of the so-called trusts and combinations of interests, so too by a curious turning of the tables has the child become father to the man, so to speak, and the workingmen, throughout the country seeing the vast numbers of combinations of business interests, have formed unions among themselves. But this, while a potent factor in the matter of forming unions, has not been the principal one. From my humble point of view I believe the recent advance in the cost of living and of the commodities used by laboring men, which I think can be put conservatively

at from thirty to forty per cent, during the past year or eighteen months, and the unusual prosperity of the country, which has made the manufacturer too busy in many instances to attend to the question of what wages his employes are getting, that this prosperity has caused many of the recent strikes and has thus, by a paradoxical situation of affairs, become the one cloud upon the sunshine of the unusual prosperity throughout the country. In nine times out of ten when I have asked the laboring man whom I have come in contact with why a strike or labor trouble occurred, I have been told that it was because of the great advance of late in the cost of living. These advances in prices have resulted in men forming unions for the betterment of their conditions, and in a great many instances strikes or lockouts have followed.

#### DEFECTS IN ORGANIZATION OF STATE BOARDS OF ARBITRATION.

Of course I believe that the State Board of Arbitration is, or should be, one of the most important boards in any state, and I have gone to some pains to make an investigation into the work done by various boards throughout the country, with the most surprisingly varying results. I find that twenty-four of the states of our union have boards of arbitration, or labor boards which exercise the functions of arbitration and mediation. In most of the states the salary paid boards of arbitration is so small that good citizens can-

not be induced to accept the position. In some of the states there is no provisions for the enforcement of the award made by the board of arbitration. From one state comes the information that a judicial decision has interpreted the law in such a manner as to make the board useless, and the writer adds: "We now stand back and watch them fight it out in the good old-fashioned way." Your own state, that bright particular star of the Northwest, presents the anomalous situation of three public offices of the board of arbitration remaining vacant and unsolicited for the past five years. It appears that the terms of office of the members of the board first appointed under the law expired five years ago, and that no successors have been chosen or reappointed by the governor. Undoubtedly the explanation is to be found in the inadequacy of the compensation provided by the Minnesota law, and in the harrassments and difficulties attending the proper discharge of the functions of the office, for I can assure you that the efforts of the peacemaker, no matter how faithful or conscientious, are not always awarded with gratitude or commendation.

The only matter which engaged the attention of the board, writes the former president of the board in Minnesota, was a joint invitation to arbitrate a dispute between the printers and publishers of the daily newspapers at St. Paul and Minneapolis. The matter

was arbitrated, and the decision rendered, which I believe was unsatisfactory to both parties.

#### LOCAL BOARDS OF ARBITRATION UNSATISFACTORY.

In a good many states this law provides for local arbitration tribunals, but there are many advantages to be found in a State Board of Arbitration impossible of attainment by a local board, whose authority and existence begins and end with a single case. In our experience we have found that the existence of a State Board of Arbitration is very conducive to the general cause of arbitration, for we find many cases where people prefer to have their difference settled by arbitrators who have had practical experience, and who have a knowledge, or the time to acquire knowledge, of the technicalities of a particular craft or occupation.

#### AN IMPORTANT PROVISION IN THE ILLINOIS ARBITRATION LAW.

One of the most important features of the present Illinois arbitration law is that which is covered by an amendment prepared by the present board and passed by our last legislature, which provides that where an industrial dispute occurs in which the public is affected, with reference to food, fuel, light or the means of communication or transportation, or in any other respect, and neither party to such a strike or lock-

out shall consent to submit the matter in controversy to the State Board of Arbitration, that the board after having first attempted to affect a settlement by conciliation, shall proceed of its own motion to make an investigation of all the facts bearing upon such disturbance, and make public its findings with such recommendations to the parties involved as in its judgment will contribute to a fair and equitable settlement of the differences which constitute the cause of the trouble, and in the prosecution of such inquiry the board has the power to issue subpoenas and compel the attendance and testimony of witnesses, as in other cases. Prior to this amendment to our law a labor trouble might involve all the people of a particular community, all the citizens of one of our outlying suburbs, such as South Chicago and Milwaukee (Milwaukee, Wis., I mean), might be compelled to walk to the city because of a labor trouble on traction lines which the parties thereto would refuse to submit to us, and the board would be compelled to sit with folded hands waiting to be called in. Now, however, it is different, and when such trouble occurs, our board proceeds to investigate it, and we find that public opinion invariably brings the guilty party to time. This is the nearest approach to compulsory arbitration found in any of the laws of the various states relating to the subject.

## NO SHORT CUT TO THE SOLUTION OF LABOR TROUBLES.

We do not think that there is any short cut to the solution of all labor troubles. We do not claim to have a panacea or a specific or a patent medicine which will fix up every case. We do not believe that all cases can be settled, or even helped by our board, and we specially think that we should rid ourselves of false hopes for an industrial paradise on earth, which none of us ever can or ever will see. We believe that theories alone cannot solve labor troubles, or accomplish arbitration, but that it requires work, and lots of it, and hard work at that, and that we must all learn our lessons well from our experience, and when we have learned them to profit by them and to teach the other fellow. We believe that conciliation can do

## CONCILIATION MORE POTENT THAN ARBITRATION.

ten times as much as formal arbitration. Conciliation, and getting people together to talk their own troubles over will in almost all cases accomplish the desired result. A formal arbitration, where it is settled not by the parties to the controversy, but by some third party, is never as good as a bargain made by the contestants themselves, but this same formal arbitration must be resorted to in certain cases, and it surely has a function, and there is work for formal arbitration. On the other hand, formal arbitration can be carried too far, for if every time a little trouble comes up an

arbitration board should jump in and make a formal hearing it would do more harm in my opinion than it would do good, for it would lead both employer and employes in many instances to produce troubles for the sole and simple reason that perhaps a board of arbitration, or a single member of the board, might help them out by deciding in their favor. There is one thing this board does find, however, and that is that a great many employers and employes who formerly were the last to even think of the matter of conciliation and arbitration are now the most eager to take the matter up, and, in fact, are clamoring for it.





# RESPONSIBILITY IN LABOR CONTRACTS, FROM THE STANDPOINT OF THE MANUFACTURER.

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BY W. D. WIMAN, VICE-PRESIDENT JOHN DEER PLOW  
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In opening a discussion of the responsibility of parties to labor contracts, as seen from the standpoint of a manufacturer, I am aware that the time at my disposal will not permit of more than a passing comment on the features of what appears to be the greatest existing difficulty in the way of a satisfactory settlement of the labor question.

## A BUSINESS MAN'S STATEMENT.

Making no pretensions to literary or oratorical excellence or legal learning, I can only make a plain statement of the conclusions to which I have arrived from a study of the relations between manufacturers and their employes as they exist to-day.

Nor do I desire to suggest any definite solution of the problem. A trifle slowly, perhaps, but always surely, the American citizen has proven himself equal to emergencies greater than this.

## INNATE SENSE OF FAIRNESS.

When both sides come to see the desirability of a mutuality of remedy as well as a mutuality of agreement in all contracts by which the one party agrees to furnish employment to the other at a stipulated wage, and to pay him regularly for it, and the other party undertakes to render services for a definite period of time, the innate sense of fairness of the American people will devise and demand some plan by which one contracting party will be equally bound with the other.

## MORAL RESPONSIBILITY OF ORGANIZED LABOR.

The past few decades have witnessed startling changes in the relations between manufacturer and mechanic. The drift of economic conditions has been toward combination in labor as well as in capital. It is not my purpose to discuss either the wisdom or policy of this tendency toward aggregation of labor on the one hand and of capital on the other. The effect is apparent to all of you. Instead of the disorganized mass of laborers of a few years ago, dealing with their employers individually, employed at no uniform scale of compensation, adjusting their disputes without the intervention of outside parties, we now have each trade or craft thoroughly organized, with its captains of tens, of hundreds and of thousands, the heads of the organization agreeing for the constituent mem-

bers thereof, the individual laborer acting by power of attorney or agent, so to speak, and the manufacturer dealing in most cases with not the men directly but their agents. These organizations for the most part, have no corporate existence, no corporate stock or stockholders, no financial responsibility. They are held to the performance of their obligations by no legal, enforceable ties. The court of public opinion is their forum. To their contracts they are morally, not legally bound.

.           LEGAL RESPONSIBILITY OF EMPLOYERS.

The manufacturer with whom they contract is not in so free a situation. If he contracts to employ a certain number of men for a certain length of time, the court by its judgment will award damages against him for breach of that contract. If he agrees to a certain schedule of wages he is legally and financially responsible for payment according to that schedule.

If he agrees to supply goods at a certain figure, relying on the maintenance of the wage and the hour schedule according to the agreement with his men, he must supply those goods, or respond in damages, even though his men demand and receive an advance in wages which turns the contract from the profit to the loss side of the ledger.

Thus we see that new economic conditions have been produced, new questions have arisen which must be satisfactorily settled, new measures are

proposed which must be carefully considered by those who know that they have vested rights worthy of protection—capitalists as well as laborers.

Any fair man will concede that in settling these questions and in considering these measures, those who furnish the labor of capital and those who provide the capital of labor must start from some common point, must agree upon some promise and stand upon some common ground.

#### CHANGED CONDITIONS OF DEALING BETWEEN EMPLOYER AND EMPLOYEE.

If conditions have changed, methods of dealing between employer and employee have undergone a greater change. Craftsmen in a particular trade are no longer treated with the old, man-to-man individual way. The spirit of unionism has pervaded manufacturing centers until every manufacturer, whether individual or corporation, is obliged in a great measure to treat with labor in its unionized form. The degree of recognition which he gives to the organization, the extent to which he permits it to dictate men and measures to him, depend largely on his personal disposition, and on trade conditions as they effect the particular business in which he is engaged.

Not every manufacturer has awakened to this inequality between employer and employee by reason of which the employee has a stronger position, legally, than the employer.

To the manufacturer whose mechanics are employed for no definite time, who are paid wages which are not the result of the deliberations of a union, whose affairs are not entangled in a maze of contractual relations with his employes—in short, to the manufacturer who operates on old-time methods the question of labor contracts lacks interest.

#### MUTUALITY OF RESPONSIBILITY OF VITAL IMPORTANCE.

But to those whose methods and conditions are as up-to-date as the goods they turn out, to those who are obliged to rely on *uni-lateral* contracts for labor, and who are legally, as well as morally bound to fulfill to the letter their own contracts for labor material and delivery of goods, the question of mutuality of remedy in labor contracts is of vital interest. Vital, because upon the scale of wages and hours as agreed to by his men, he plans his season's work, makes contracts for delivery at a specified price, and meets the competition of keen and powerful competitors; vital, because upon the faithful carrying out of these obligations depends his business reputation and commercial standing.

Says an eminent author: "In all the relations of social life, its good order and prosperity depend upon the due fulfillment of the contracts which bind all to all."

If we lived in Utopia, if every man's word was as good as his bond, if disputes were always settled ami-

cably, and a moral obligation was as certain of enforcement as a legal one, "if," as the same author says, "all contracts were carried into effect, the law would have no office but that of instructor or advisor. It is because they are not all carried into effect, and it is that they may be carried into effect, that the law exercises a compulsory power. Hence is the necessity of law; and the well-being of society depends upon, and may be measured by, the degree in which the law construes and interprets all contracts wisely, eliminating from them whatever is of fraud or error or otherwise wrongful, and carrying them out into their full and proper effect and execution."

#### SUFFICIENT CONSIDERATION LEGALLY BINDING.

Hold these labor contracts up by their four corners and, what do they mean? Do they, as a rule, come within the definition of a true contract, which is an agreement, *upon a sufficient consideration* to do or not to do a particular thing?

Is it a sufficient consideration for the legally enforceable agreement on the part of the employer to hire, for a certain period of time, on a certain wage schedule, and for certain hours, that the employe agrees to work under that schedule for that period of time, mentally reserving the right to violate the agreement for fancied grievances of himself or other men who are not parties to the contract, knowing all the while that no power on earth can force him to carry out his part of the agreement?

Much has been said in these meetings about arbitration, but after all the essential element of a submission to arbitration is that it must be mutually as binding on them as they are on him; that his remedy in case of a breach shall be as full and complete as is theirs.

Is there aught unjust or inequitable in this demand? Is it not a principle that runs throughout the business world that a contracting party shall not be remitted to the doubtful satisfaction of enforcing his obligations in the forum of morals? Is not the contractor who agrees to build a house for a certain price, obliged to give bond for the faithful performance of his contract; are not all other contracts entered into with and because of the knowledge that the law gives an effective remedy in case of non-performance?

#### STRIKES SHOULD BE AVOIDED.

We will all agree that strikes should be avoided if possible; that a maintenance of peaceable and amicable relations between employer and employe is highly to be desired.

But, unfortunately, strikes do occur, disastrous to the community whether successful or unsuccessful.

An analysis of a table published in a recent magazine article by a learned student of labor questions, the United States Commission of Labor, shows that in the past twenty years, over one hundred and seventeen thousand strikes have occurred in the United States, three-fourths of which were in the manufacturing

states of Illinois, Massachusetts, New York, Ohio and Pennsylvania. About fifty per cent of those strikes have succeeded, fourteen per cent have practically succeeded and the remaining thirty-six per cent have failed. But 26.7 per cent of these strikes were for increase of wages, and 11.23 per cent for increase of wages and reduction of hours of labor.

MUST HAVE A METHOD OF SETTLEMENT FROM WHICH  
THERE IS NO LEGAL ESCAPE.

These figures show to me that labor conditions demand a method of settlement of those difficulties which are beyond adjustment in the factory, which method shall be fair to the employer as well as to the employe, and from the result of which there shall be no legal escape. Is the time ripe for this? I think it is. Unionists may say, "Trust to the good faith and fair dealing of the man." The employer has an equal right to say: "Disband your unions and trust to the good faith and fair dealing of your employer." That latter course has been rejected by the unions; rejected when every manufacturer is financially able to respond in damages for any violation of contract of employment. Beyond question, unionism either in its present or a modified form is a permanent thing. We can never go back to old conditions. We must deal with matters as they are. Should not the manufacturer be placed in as advantageous a position, legally, as his employes? Is he not entitled to as fair treatment by the public as is accorded the men he employs?



Interest will always to a greater or a less extent, determine mental attitude. No one of us is or can be entirely free from bias. Many incipient strikes are settled in the work-shop, but it is not always possible to do this. It is manifestly impossible for the manufacturer and his employes to take the same view of labor disputes and unionism. Like all other disputes arising from contractual relations three methods of settlement by third and disinterested parties may be used. First: Voluntary arbitration; second, compulsory arbitration; third, appeal to the courts.

BONDS OF STEEL FOR EMPLOYERS—ROPES OF SAND FOR  
EMPLOYEES.

I trust that it will not be deemed presumptuous in me when I say that the ineffectiveness of his remedy should deter the manufacturer from submitting labor disputes to voluntary arbitration or to the courts, or from acquiescing in compulsory arbitration.

In the classification I put voluntary arbitration first, because it is undoubtedly the most satisfactory method to all concerned. Yet in it, as in arbitration of any other disputes, there must be a mutual liability, and an abiding by the result. Are labor unions, as they are at present situated, able to do this? With a few exceptions they are not. In a great number of cases they have not done so. Why then should the employer consent to the doing of an idle set? Why should it be said of him: "Arbitrate, and if the result is sat-

isfactory to us, we will abide by it?" With whom does the employer arbitrate? With an incorporated body? No, with the men themselves? Strictly speaking, No. He is in the position of one dealing with an agent whose power of attorney states: "If the bargain made by my agent is satisfactory to me this power of attorney shall stand, otherwise, it is hereby revoked."

Is the manufacturer to be blamed for a reluctance to enter into an arbitration agreement, for a disinclination to chain his hands with bonds of steel, while the opposing parties are bound with a rope of sand?

#### COMPULSORY ARBITRATION.

Much of the time of the preceding meetings has been taken up in the discussion of compulsory arbitration. I have heard courts of compulsory arbitration called courts without jurisdiction and without sheriffs to enforce their decrees.

A lawyer grown gray in the practice of his profession, once said that arbitration was the means of postponing litigation long enough for the litigants to have enough to pay attorney fees and costs of suit. Compulsory arbitration is doubtless upon the theory that the interests of the public are such that the public peace and comfort demand that conflicts between capital and labor be settled by a theoretically impartial board of arbitrators. Yet this compulsory arbitration is, from the standpoint of the manufacturer, ineffective. Ineffective because mutuality of remedy is absent from

this as from all other methods of settlement. Who is to be hauled before such a board, to answer to its demands. The individual members of the union? That is impracticable in the extreme. The labor union itself? It has no legal entity. Why then should the employer, able and liable as he is to carry out the finding of the court of arbitration be obliged to submit to its determination when as to his opponent in the hearing, the board can do little more than recommend a course to be followed?

#### COURTS HAVE NO ENFORCIBLE REMEDY FOR EMPLOYERS.

The third method is an appeal to the courts, and yet when the appeal is made, when the hearing is had, when both parties have been represented by council and weight of the arguments, pro and con, considered by judges learned in the law, what remedy can the court give the employer for a violation of a labor contract? The employe's remedy is enforced by attachment or execution or the process of contempt, but the employer has no such rights.

I am not recommending the specific performance of labor contracts. Even if our law could be so amended as to authorize this, I would be very loath to see such a principle announced. Aside from the fact that an unwilling workman is of little value, the specific enforcement of a contract for labor would result in virtual slavery, in the enforcement of contracts entered into, improvidence, ignorance or necessity.

The elimination and rightful rejection of this remedy leaves a court without the proper means of giving the employer a remedy should he succeed in an appeal to the courts, and this method like the two previously discussed we must agree is impolitic and unwise for the employer.

#### PRACTICAL DIFFICULTIES.

As I have already said I have considered this subject as a manufacturer, an employer of labor who knows the practical difficulties under which the employer contracts with his men. In the works I represent, we endeavor, by a just and fair treatment of our employes, to prevent strikes, to assure promotion to the deserving and to reduce the number of discharges to the minimum.

If I were a lawyer, I might be able to suggest some plan by which the parties to labor contracts might have an equal responsibility and a mutuality of remedy. Being only a business man, I leave the discussion of the constitutional questions and legal difficulties to those whose training and experience best qualify them to deal with the situation.

Amateur students of industrial and economic questions may suggest a thousand and one solutions: ultra-radical unionists may scout the conclusions to which I have come; manufacturers who will not open their eyes to the conditions of the present, may desire to go on in the haphazard way we have followed in the past.

Whether a system of bonuses to be paid employees who stay for the period of their contracts will affect the desired end is open for question. Whether the incorporation of labor unions will solve the problem is a matter for careful consideration and judicial determination.

#### LABOR MUST ASSUME RESPONSIBILITY.

I am convinced that labor will never possess the dignity that rightfully belongs to it until it assumes the responsibility it demands of its employer.

It is not a question of whether or not such an assumption of a plain business duty would benefit or damage the employer or hold the employe more firmly to his obligation. The question is one of public policy, of public benefit. Whatever tends to make labor and capital respect one another, whatever results in the settlement of their disputes as peaceably as other civil disputes are settled, is a positive benefit to the community and a blessing to mankind.

There is nothing in this idea of increased and certain responsibility on the part of the labor unions and the laborer foreign to the principles of Democracy.

#### PUBLIC WELFARE SUPERIOR TO PRIVATE RIGHTS.

Every day we see private rights invaded for the public good. Under the right of eminent domain, water is condemned to the use of a municipality and the "just compensation" therefore fixed by jurymen who may

be residents of the city for which the water is being acquired. Taxes are levied and their collection enforced by sale of the property on the theory that the property, whether productive or not, should bear its proportion of the expenses of government. A sewer is laid or a street is paved, and the real property within a certain district is assessed to pay the costs and expenses of the work, although some of the property affected by the assessment may actually receive no benefit. The structural strength of one's house is regulated; acts which are not in themselves violations of the moral law are prohibited under the broad principle of police power, and the citizen who is made to feel the weight of the law, may not, perhaps, except theoretically, be benefited by its enforcement.

All these things are done, we are told, on the principle that public welfare is superior to private right; that the interest, the necessity or the convenience of the public requires that the liberty of the individual to do with his own as he likes must be restricted.

Is it not then, equally necessary for the employer of labor to be protected in his bona-fide contracts, to be placed on the same footing as his employes?

Can the state in fairness, say to the employer: "You may agree on arbitration, but it is an empty form; we may by law force you to arbitrate, but no relief can the board give you if you succeed. You may resort to law, but the only enforceable decree the court can give is one against you."

FUTURE RELATIONS OF LABOR AND  
CAPITAL.



W. E. M'FWEN, SECRETARY-TREASURER MINNESOTA  
FEDERATION OF LABOR.



## FUTURE RELATIONS OF LABOR AND CAPITAL.

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BY W. E. M'EWEN, SECRETARY-TREASURER, MINNESOTA  
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What the future relations of labor to capital will be, is largely theoretical. Perhaps I have chosen this subject for the reason that I am an enthusiastic advocate of labor, and one of the foibles of the ordinary so-called labor agitator is to be extremely visionary. Time, experience and responsibility, however, serve to moderate the thoughtful student and worker in the cause of labor. Every person who holds an executive position in an organization of labor must sooner or later learn that in order to be successful himself and to insure the permanency of his organization, he must be practicable in his plans, logical in his arguments, and absolutely fair and consistent in his undertakings. There is no place in the up-to-date international trade organization for an impracticable leader. What the workingman desires in his organization is immediate returns for himself, with the idea in view

that he is gradually and surely securing something for his posterity.

#### TRADE UNIONS AND GREAT CORPORATIONS HERE TO STAY.

It would be, indeed, difficult to discuss the relations of labor to capital without referring to the efforts of both along the lines of organization.

I hold that any effort to destroy either the modern organization of labor, known as the trade union, or the greater corporations commonly called the trust, will be both futile and reactionary. Both are the result of a long period of growth and development. Both are here to stay and both will continue to develop to a most perfect state. This being true we will eventually be forced to apply ourselves to the conditions which they create, whether we like them or not. Such gatherings as this will contribute much towards bringing both capital and labor to a realization of this fact.

If there are to be organizations of labor, there will continue to be more or less friction and strife with employers until some course is agreed upon that will bring them closer together. The right of labor to organize is generally conceded. The present trade union, while not perfect, is a great improvement over that of even a decade ago. Behind it is a century of experience, with its blunders and shortcomings; its enlightenment and achievements. It marks the orderly rise and development of the wealth producing classes through the evolutionary, educational process. Its methods and results stand out in bold relief when

contrasted with the revolutionary eccentric methods applied by the reactionary enthusiast.

It is the logical refuge of the producing classes, and leads straight to the fulfillment of labors, hopes and anticipations.

#### ORGANIZATION THE LOGICAL RESULT OF COMMERCIAL STRIFE.

The trade unions, as I have said, are here to stay. As their influence becomes greater, they will become more of a factor in industrial affairs, and it will be necessary to deal with them for the insurance of industrial peace. On the other hand the organization of capital on the present "*Community of Interests*" plan is nothing more than an improvement on all past efforts along the lines of organization. It is the natural and logical result of commercial strife. Its future development may be retarded for a time by unfriendly legislation, but it cannot be destroyed; it may be controlled, and the people may at some time decide upon the policy of owning and operating the industries it controls, but this much may be said: "There is little hope for returning to the days of keen competition, and the small industry as *the* factor in our commercial life. From the time of the first combination of either labor or capital there has been more or less friction. This has grown and developed at times to mammoth proportions. It has often seemed that there was no hope for ever bringing about a conciliation, and even if one

side by mere force compelled an adjustment, there has been left behind a chasm that has seemed impossible to bridge.

LABOR AND CAPITAL—IDENTICAL IN NATURE—DIFFERENT IN FORM—BOTH HAVE RIGHTS.

Ignorance has had much to do with the difficulties of the past; not that kind of ignorance that is defined as illiteracy, but each has appeared to be uninformed of the troubles, the griefs and the worries of the other. Often have I heard both sides of a difficulty when it seemed that each had reasonable ground for complaint.

This emanated from the cause that there was too great distance between them. Some argue that the relations of the employe and employer are not, and cannot be identical. I am of the opinion, however, that while there have been frequent hostile relations, it does not necessarily follow that there cannot be a reconciliation. In the seeming complexed economic conditions of to-day we have overlooked some fundamental facts. We call that labor, which is the active source of production whether exerted through brain or muscle, and we must recognize capital as nothing more nor less than accumulated labor. In other words one is energy and effort put forth in the present, the other is the fruit of such energy and effort put forth in the past; while in their nature, identical, their having assumed different forms they have acquired independ-

ent rights, and each must necessarily obey certain laws peculiar to itself. These two forms of human energy, labor and capital, may be and generally are owned by different persons. One individual has present labor at his command. This from the very nature of the case must be his own. Another has capital or accumulated labor. This may be his own or that of others of which he has come into possession. In a healthy economic condition of affairs the two forms of labor must come together and help each other, otherwise both must languish and die. We have in the last few years reached a stage in human history at which it became necessary to define in a practical way the status, rights, duties and immunities of these two producers, labor and capital. Let me note here that I distinguish between capital and wealth: Capital is that portion of wealth employed in reproduction. The distinction involved is an important one. All capital is wealth, but all wealth is not capital. The very use of the term "reproduction" testifies to the feeling of man that the object of anything is not fulfilled in its own creation or perfection, but that there is an endless series of propagations, with a constant view and with increasing force to some ulterior end.

#### WEALTH IS NOT PRODUCTIVE CAPITAL

A man may have much wealth, and use little capital. Wealth is as it is had; capital as it is used. For example, a man may live in a house worth thirty thousand

dollars and have ten thousand dollars invested in a ship, from which he derives all his support, and which forms his capital. It may be asked, Is not the house itself capital? It is, so far as necessary to production in sheltering the producer and his family, even with the style and comfort usual to such a degree of society. Beyond this it ceases to be capital. It is devoted, not to the creation of values, but to personal enjoyment and culture; noble and worthy ends for wealth but not for capital. There is much of the wealth of the world which it is difficult to classify whether as capital or not, much in which the two ends unite, much in which the share devoted to reproduction is doubtful. Still, this casts no discredit on the distinction itself, which stands manifest to all.

LABOR AND CAPITAL SHOULD DIVIDE THE RESULTS OF  
INDUSTRY.

Labor and capital have been antagonists. There has been much folly in this antagonism. They are partners and should divide the results of industry in good faith and in good feeling. False philosophy, or unprincipled politics, may alienate their interests, and set them at discord. Capitalists may encroach on labor. Laborers may in their madness, destroy capital. Such is the work of ignorance and evil passions. However far such strife may be carried, it must result in mutual injuries, and health can only be restored by obtaining

the recognition of the full rights and obligations of each. The condition of well-being is peace. A false philosophy has set the world at war for ages, proclaiming that what one nation may gain, another must lose.

It has been said that hatred and retaliation are the normal relations of capital to labor, and that mutual distrust and hurtfulness are inevitable in all the developments of industry. Such a belief is sightless before the glorious order of man and nature. The cruel, shallow selfishness of capital has robbed labor by means of law; and labor, impoverished and degraded has often turned upon its tyrant.

#### GREAT REFORMS REQUIRE TIME FOR DEVELOPMENT.

A man of very ordinary powers of penetration must see as he looks into the future that both labor and capital will reap a rich harvest of happy conditions from the efforts at adjustment now in progress. When we come to reflect upon conditions as they were in the centuries that are not so very far past, we have great cause for rejoicing at the progress already made. The conception that the common people had any rights the plutocracy was bound to respect originated with the sentiment that developed into the founding of the American Republic, and the adjustment of the respective rights of labor and capital followed as a corollary of that conception. The progress made has been truly wonderful compared with the magnitude of the undertaking. Great reforms when prosecuted along moral

and intellectual lines require time for their development. The process of adjustment is complicated and extensive. Both capital and labor need training and discipline in the methods of bringing them together. It is a source of gratification to know that there is a general desire on the part of the public and many employers of labor to conciliate these two forces. It must not be forgotten that the prevailing sentiment of the day is due largely to the efforts of the workers in the pressing of their claims with such force of logic that even the most selfish and critical cannot resist them.

The fact that labor will not surrender its right to strike ought not be an impediment on the efforts to bring about conciliation, any more than the refusal of the nations to abolish war in order that international peace may be established. The successful relations between capital and labor will in the future depend largely on the moral efforts of the parties.

Trades unions are doing considerable along this line. The systematic effort for the complete organization of labor is having a telling effect upon the character, methods and policy of the individual worker.

LABOR MOVEMENT DEMANDS CALM, WISE AND CAREFUL  
LEADERSHIP.

As I said in the beginning, the trades unions mark the orderly rise of the wealth producers through an educational process. There is a gradual development



in the intellect, intelligence and reasoning power of the members, which is steadily manifesting itself. The movement of labor is demanding calm, wise and careful leadership. Men of tact and ability are sought as leaders, in order that they may successfully deal with the able representatives of the employers. This kind of leadership will command the respect and confidence of the people, whose opinion will ever have much to do with the conciliatory attitude of both capital and labor. I have often thought that in the development of industries more attention should be given to the interests of labor. There was a time when large corporations gloried in fighting personal damage suits, just as some of them to-day seem to enjoy opposing strikes. Since then the *Claim Department* has been added, and every reasonable effort is made to settle a personal damage suit without entering into costly legal engagements. The claim agents of a corporation are chosen because of their peculiar tact in dealing with men. Possibly an industrial department on the same plan as the claim department would be of considerable service in the settling of all differences with labor. It would not be a cure-all for strikes, but it would undoubtedly tend to diminish them. A mining superintendent of the United States Steel Corporation, in a conversation not long ago said to me: "The time has gone by when we can drive men. It will not be long when the men who can deal with them most satisfactorily will command the highest salaries from great corporations."

As the trades' unions will continue to grow in power, and with this growth they will press their demands for recognition, it seems to me that there would be a greater assurance of contentment could they deal with some one directly in authority, who made it a business to study the conditions of the employes, such as the present managers have not the time to do. All men with an honest purpose intend to be fair. Many difficulties have been prolonged by misunderstandings and mock pride. The main idea should be to see that each has a thorough understanding of the other's conditions and needs. This can best be secured by close communication.

Everything indicates that the future relations will be more pleasant than during the immediate past. We can all be of some service in hastening the day when capital and labor will know not injustice or enmity.







